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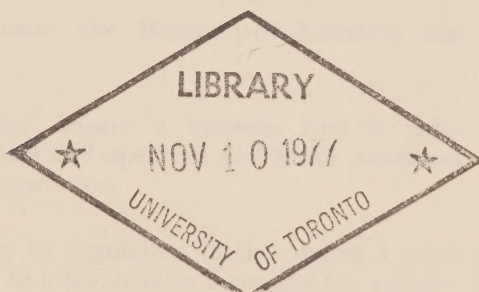
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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

94

## An Act respecting Small Business in Ontario

MR. EAKINS



#### EXPLANATORY NOTE

The purpose of this Bill is to provide for the preservation and expansion of small business enterprise in Ontario. The Bill provides for government efforts relating to tendering policy, subcontracting, research and development and small business co-operatives as a means of providing support for small business enterprise.



BILL 64

1977

## An Act respecting Small Business in Ontario

**W**HEREAS the essence of Ontario's socio-economic system is embodied in the principles of free enterprise, competition and diversity; and whereas the preservation and expansion of these principles is essential to the basic welfare and security of the people of the Province of Ontario, as well as to the growth of personal initiative; and whereas this Legislature wishes to grant formal recognition to, and give fair and equitable support for that sector of the economy that most effectively preserves and enhances free, competitive enterprise;

Preamble

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) In this Act,

Inter-  
pre-  
tation

(a) "Minister" means the Minister of Industry and Tourism;

(b) "small business" means a business that is independently owned and operated and is not dominant in its field of operation.

(2) The Minister may by regulation further define a small business having regard to other criteria including the number of employees and the dollar volume of business.

Minister may  
determine  
small  
business

(3) Where the number of employees is used as one of the criteria referred to in subsection 2, the maximum number of employees stated in the definition may vary from industry to industry to the extent necessary to reflect differing characteristics of such industries and to take proper account of other relevant factors.

Idem



Objects

2.—(1) The Government of Ontario shall aid, counsel, assist and protect, in so far as possible, the interests of small business.

Government  
purchases  
from small  
businesses

(2) In order to preserve free competitive enterprise, the Government of Ontario shall,

(a) establish a target of 40 per cent of the total purchases and contracts or subcontracts for goods, services and real property purchased or made by the Government to be placed with small businesses within three years of the date this Act comes into force; and

(b) ensure that a fair proportion of the total sales and leases of Government property be transacted with small businesses.

Small  
business  
certificate

3.—(1) There shall be a certificate known as the Small Business Certificate to designate a concern, firm, person, corporation, partnership, co-operative or other business enterprise that is a small business for the purpose of this Act that is determined to be in a sound financial and productive position.

Minister  
issues  
certificate

(2) Upon application, the Minister shall issue a certificate certifying a business as a small business that is in a sound financial and productive position.

Revocation

(3) A Small Business Certificate is subject to revocation by the Minister when the business covered thereby ceases to be a small business or is no longer determined to be in a sound financial and productive position.

Notice in  
Ontario  
Gazette

(4) Notice shall be published in *The Ontario Gazette* within thirty days of the issuance of a Small Business Certificate or of the giving of notice with respect to revoking such a certificate.

Idem

(5) A Small Business Certificate is deemed to be revoked within thirty days of publication in *The Ontario Gazette* of a notice to revoke, provided that such notice is also served on the small business prior to publication in *The Ontario Gazette*, and attestation of such service shall be given together with the notice to revoke when so published.

Idem

(6) Offices of the Government having procurement or lending powers, or engaging in the disposal of property or allocating materials or supplies, or promulgating regulations affecting the distribution of materials or supplies shall accept

as conclusive the Minister's determination as to which enterprises are to be designated as authorized and directed under this section.

(7) An appeal from the Minister's decision to revoke under <sup>Appeal</sup> this section involving questions of law or jurisdiction lies to the Supreme Court of Ontario.

(8) An appeal from the Minister's decision to revoke under <sup>Idem</sup> this section lies to the Lieutenant Governor in Council.

(9) Where the Minister revokes a Small Business Certificate, <sup>Written reasons</sup> he shall provide written reasons for his decision.

4.—(1) Where tenders are sought by the Government, <sup>Government tenders</sup> any of its ministries or agencies, including Crown Corporations, for the purchase by the Government of goods, services or real property, and in which tender is included the information that it holds a Small Business Certificate, if such tender is not higher than any other qualified tender, and it meets all specified minimum requirements to qualify as a valid tender, then such tender by the small business shall be accepted.

(2) The Minister shall be provided with notice of all proposed procurement actions of value exceeding \$5,000 from <sup>Notice of procurements</sup> any provincial ministry, establishment, or agency engaged in procurement of supplies and services in the Province of Ontario and he shall publicize such notices in *The Ontario Gazette*, immediately after the necessity for the procurement is established, except that nothing herein shall require publication of such notices with respect to those procurements,

- (a) that for security reasons are of a classified nature;
- (b) that involve perishable subsistence supplies;
- (c) that are for utility services and the procuring agency in accordance with applicable law has predetermined the utility concern to whom the award will be made;
- (d) that are of such unusual and compelling emergency that the Government would be seriously injured if bids or offers were permitted to be made more than fifteen days after the issuance of the invitation for bids or solicitation for proposals;
- (e) that are made by an order placed under an existing contract;



- (f) that are made from another Government ministry or agency, or a mandatory source of supply;
- (g) that are for personal or professional services;
- (h) that are for services from educational institutions;
- (i) in which only foreign sources are to be solicited; and
- (j) for which it is determined in writing by the procuring agency, with the concurrence of the Minister that advance publicity is not appropriate or reasonable.

Small  
business sub-  
contracting  
program

5.—(1) The Minister shall develop forthwith a small business subcontracting program containing provisions,

- (a) to enable small businesses to be considered fairly as subcontractors and suppliers to contractors performing work or rendering services as prime contractors or subcontractors under Government procurement contracts; and
- (b) to enable the Ministry to obtain from any Government procurement agency such available or reasonably obtainable information and records concerning subcontracting by its prime contractors and their subcontractors as the Ministry may deem necessary.

Matters  
not to be  
dealt with  
in program

(2) Subsection 1 shall not be construed to authorize the Minister,

- (a) to prescribe the extent to which any contractor or subcontractor shall subcontract;
- (b) to specify the businesses to which subcontracts shall be granted; or
- (c) to vest in the Minister authority respecting the administration of individual prime contracts or subcontracts.

Subcontract-  
ing a  
favourable  
factor

(3) The program shall provide that in evaluating bids or in selecting contractors for negotiated contracts the extensive use of subcontractors by a proposed contractor shall be considered a favourable factor.

Small  
business  
loans officer

(4) The program shall provide that any firm awarded a government contract over \$500,000 shall employ a small



business liaison officer, who may already be a member of the firm, to be responsible for subcontracting portions of the work to small businesses, wherever possible.

(5) Every contract for goods, services or real property, <sup>Required contractual provisions</sup> including contracts for research and development, maintenance, repair and construction, but not including contracts to be performed entirely outside the Province of Ontario, in excess of \$500,000, made by a Government ministry or agency, that in the opinion of the procuring agency offers substantial subcontracting possibilities, shall require the contractor,

- (a) to conform to the small business subcontracting program; and
- (b) to insert in all subcontracts and purchase orders in excess of \$250,000 that offer substantial possibilities for further subcontracting a provision requiring the subcontractor or supplier to conform to the small business subcontracting program.

**6.—**(1) It shall be the duty of the Minister and he is <sup>Research and development</sup> hereby empowered,

- (a) to assist small businesses to obtain Government contracts for research and development;
- (b) to instruct Government agencies and ministries to contract out as much research and development work as possible;
- (c) to assist small business to benefit from research and development performed under Government contracts or at Government expense;
- (d) to provide technical assistance to small business and to simplify application procedures in order to accomplish the purposes of this section;
- (e) to give preference to Canadian owner-managed businesses in allocating research grants and loans; and
- (f) to publish information as to facilities available through small businesses for research and development.

(2) The Minister may consult and co-operate with all <sup>Idem</sup> Government agencies and make studies and recommendations

to such agencies, and such agencies shall co-operate with the Minister in order to carry out and accomplish the purposes of this section.

**Co-operatives**     **7.**—(1) The Minister may consult with any representative of one or more small businesses to encourage the formation of co-operatives formed and capitalized by a group of small businesses with resources provided by them for the provision of central services, or for the purpose of obtaining for the use of such small businesses raw materials, equipment, inventories, supplies or the benefits of research and development, or for establishing facilities to undertake and utilize applied research.

**Co-operatives  
may be  
certified**     (2) The Minister may certify a co-operative as a member of a special class of small business and may issue the certificate referred to in section 3.

**Idem**     (3) The Minister may provide advisory services regarding the mechanics of establishing co-operatives.

**Powers of  
Minister**     **8.** The Minister may,

- (a) enter into contracts with any provincial government or the Government of Canada and any ministry, agency, or officer thereof having procurement powers obligating the Minister to furnish articles, equipment, supplies or materials to Ontario, and in any case in which the Minister certifies to any officer of Ontario having procurement powers that the Ministry of Industry and Tourism is competent to perform any specific government procurement contract to be let by any such officer, such officer shall be authorized, in his discretion, to let such procurement contract to the Ministry of Industry and Tourism upon such terms and conditions as may be agreed upon between the Minister and the procurement officer;
- (b) arrange for the performance of such contracts by negotiating or otherwise letting subcontracts to small business concerns or others for the manufacture, supply, or assembly of such articles, equipment, supplies, or materials or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Ministry of Industry and Tourism to perform such contracts;
- (c) provide technical and managerial aids to small business concerns, by advising and counselling on

matters in connection with Government procurement and property disposal and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing business insurance, accident control, wage incentives, and methods engineering, by,

- (i) co-operating and advising with voluntary business, professional, educational, and other non-profit organizations, associations and institutions and with other governmental agencies,
  - (ii) maintaining a clearinghouse for information concerning the managing, financing and operation of small business enterprises,
  - (iii) disseminating such information, and
  - (iv) such other activities as are deemed appropriate by the Minister;
- (d) co-ordinate and ascertain the means by which the productive capacity of small businesses can be most effectively utilized;
- (e) consult and co-operate with officers of the Government having procurement or property disposal powers in order to utilize the potential productive capacity of plants operated by small businesses;
- (f) obtain information as to methods and practices that government prime contractors utilize in letting subcontracts by prime contractors to small businesses at prices and on conditions and terms which are fair and equitable;
- (g) determine within any industry the concerns, firms, persons, corporations, partnerships, co-operatives, or other business enterprises that may be designated as small businesses for the purposes of this Act;
- (h) serve as a focal point to receive complaints, criticisms and suggestions concerning the policies and activities of the Ministry of Industry and Tourism and any other government agency that affects small business;
- (i) represent the views and interests of small businesses before other agencies whose policies and activities may affect small businesses;



- (j) enlist the co-operation and assistance of public and private agencies, businesses and other organizations in disseminating information about the programs and services provided by the Government that are of benefit to small businesses and information concerning the manner in which small businesses can participate in or make use of such programs and services; and
- (k) receive reports from Government agencies and ministries concerning the progress in procurement and contracting to small business.

Standing  
committee

**9.** There shall be a standing committee of the Assembly to be known as the Small Business Committee, that shall report annually to the Assembly if it is in session or, if not, at the next ensuing session, on all aspects meriting legislative attention with respect to small businesses, and that shall consider,

- (a) proposed legislation and legislative reform;
- (b) the state of governmental and private assistance available respecting training, manpower and management development, research, technical and scientific assistance;
- (c) the competitive strength of small business;
- (d) representations from small business groups;
- (e) the proposals for changes in the policies and activities of any agency of the Government that will better fulfill the purposes of this Act and communicate such proposals to the appropriate agencies; and
- (f) such other matters dealing with small businesses as the standing committee in its opinion considers appropriate.

Regulations

**10.—(1)** The Lieutenant Governor in Council shall make regulations prescribing the criteria for determining whether a small business is in a sound financial and productive position.

Idem

**(2)** The Lieutenant Governor in Council may prescribe regulations implementing the small business subcontracting program.

**11.** Nothing in this Act shall be construed to authorize any ministry or agency of the Government to disseminate technical data or processes developed by any business under this Act. <sup>Confiden-  
tiality</sup>

**12.** This Act comes into force on the day it receives Royal Assent. <sup>Commence-  
ment</sup>

**13.** The short title of this Act is *The Small Business Act*, <sup>Short title</sup>  
1977.

An Act respecting  
Small Business in Ontario

*1st Reading*

October 17th, 1977

*2nd Reading*

*3rd Reading*

MR. EAKINS

*(Private Member's Bill)*



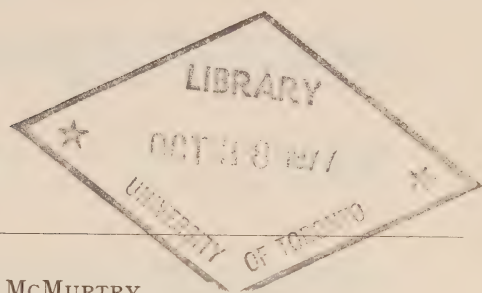
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**BILL 65**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Surrogate Courts Act**



THE HON. R. MCMURTRY  
Attorney General

#### EXPLANATORY NOTES

SECTION 1. The amendment codifies the present practice for the surrogate court clerk in the Judicial District of York to perform the duties of the Surrogate Clerk for Ontario.

SECTION 2. The designation of holidays on which surrogate court offices will be closed is rewritten to coincide with *The Public Service Act*. The wording is the same as in *The Registry Act* and *The Land Titles Act*.

SECTION 3. The amendment adopts the same language to refer to members of the armed forces on active service as is used in section 8 of the Bill to enact *The Succession Law Reform Act, 1977*. The provisions repealed and not re-enacted provide for true evaluation of the estate.

BILL 65

1977

## An Act to amend The Surrogate Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 12 of *The Surrogate Courts Act*, being chapter 451 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following subsection:

(3) The registrar for The Surrogate Court of the Judicial District of York is by virtue of his office the Surrogate Clerk for Ontario.

2. Subsection 1 of section 16 of the said Act, as re-enacted by the Statutes of Ontario, 1971, chapter 59, section 2, is repealed and the following substituted therefor:

(1) In this section, "holiday" means,

Holiday  
defined

(a) Saturday;

(b) Sunday;

(c) a day that is a holiday for civil servants as prescribed by the regulations under *The Public Service Act*.

R.S.O. 1970,  
c. 386

3. Subsections 3, 4, 5 and 6 of section 34 of the said Act are repealed and the following substituted therefor:

s. 34 (3),  
re-enacted  
s. 34 (4, 5, 6),  
repealed

(3) In subsection 2, "members of the forces" means a member of a component of the Canadian Forces,

Interpre-  
tation

(a) that is referred to in the *National Defence Act* (Canada) as a regular force; or

R.S.C. 1970,  
c. N-4

(b) while placed on active service under the *National Defence Act* (Canada).

s. 56,  
re-enacted

4. Section 56 of the said Act is repealed and the following substituted therefor:

Evaluation

56.—(1) The person applying for a grant of probate or administration shall before it is granted make or cause to be made and delivered to the registrar a true statement of the total value, verified by the oath of the applicant, of all the property that belonged to the deceased at the time of his death.

Evaluation  
of  
subsequently  
discovered  
property

(2) When after the grant of probate or letters of administration any property belonging to the deceased at the time of his death and not included in such statement of total value is discovered by the executor or administrator, he shall, within six months thereafter, deliver to the registrar a true statement of the total value, duly verified by oath, of such newly discovered property.

Evaluation  
of limited  
grant

(3) Where the application or grant is limited to part only of the property of the deceased, it is sufficient to set forth in the statement of value only the property and value thereof intended to be affected by such application or grant.

s. 60 (2) (a),  
re-enacted

- 5.—(1) Clause *a* of subsection 2 of section 60 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 19, section 1, is repealed and the following substituted therefor:

1977. c.

(a) the net value of the estate as computed for the purposes of section 46 of *The Succession Law Reform Act, 1977* does not exceed \$75,000; and

Application  
of subs. 1

- (2) Subsection 1 does not apply in respect of the administration of the estate of a person who died before this section comes into force.

s. 76 (1),  
amended

- 6.—(1) Subsection 1 of section 76 of the said Act is amended by striking out “as to personal property” in the ninth and tenth lines.

s. 76 (3),  
repealed

- (2) Subsection 3 of the said section 76 is repealed.

Commence-  
ment

- 7.—(1) This Act, except sections 5 and 6, comes into force on the day it receives Royal Assent.

Idem

- (2) Sections 5 and 6 come into force on the day *The Succession Law Reform Act, 1977* comes into force.

Short title

8. The short title of this Act is *The Surrogate Courts Amendment Act, 1977*.



SECTION 4. The amendment does away with the filing of detailed inventory upon an application for probate or letters of administration. The inventory is replaced by a statement of total value.

SECTION 5. The provision amended dispenses with a bond where the administrator is the surviving spouse of the deceased and the estate does not exceed the preferential share on an intestacy. The amendment brings the amount into line with the preferential share under the Bill to enact *The Succession Law Reform Act, 1977*.

SECTION 6. The section amended provides for resealing in Ontario of probate or letters of administration granted outside Ontario in Canada or the British Commonwealth. The amendments remove the distinction made between wills passing real property and personal property. The criteria for probating a foreign will is the same for both under section 37 of the Bill to enact *The Succession Law Reform Act, 1977*.





An Act to amend  
The Surrogate Courts Act

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*1st Reading*

October 17th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. R. McMurtry  
Attorney General

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*(Government Bill)*



**BILL 65**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Surrogate Courts Act**

THE HON. R. MCMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



BILL 65

1977

## An Act to amend The Surrogate Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 12 of *The Surrogate Courts Act*, being chapter 451 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following subsection:
  - (3) The registrar for The Surrogate Court of the Judicial District of York is by virtue of his office the Surrogate Clerk for Ontario.
2. Subsection 1 of section 16 of the said Act, as re-enacted by the Statutes of Ontario, 1971, chapter 59, section 2, is repealed and the following substituted therefor:
  - (1) In this section, "holiday" means,
    - (a) Saturday;
    - (b) Sunday;
    - (c) a day that is a holiday for civil servants as prescribed by the regulations under *The Public Service Act*.
3. Subsections 3, 4, 5 and 6 of section 34 of the said Act are repealed and the following substituted therefor:
  - (3) In subsection 2, "members of the forces" means a member of a component of the Canadian Forces,
    - (a) that is referred to in the *National Defence Act* (Canada) as a regular force; or
    - (b) while placed on active service under the *National Defence Act* (Canada).

s. 12,  
amendedSurrogate  
clerk for  
Ontarios. 16 (1),  
re-enactedHoliday  
definedR.S.O. 1970,  
c. 386s. 34 (3),  
re-enacted  
s. 34 (4, 5, 6),  
repealedInterpre-  
tationR.S.C. 1970,  
c. N-4

s. 56,  
re-enacted

4. Section 56 of the said Act is repealed and the following substituted therefor:

Evaluation

56.—(1) The person applying for a grant of probate or administration shall before it is granted make or cause to be made and delivered to the registrar a true statement of the total value, verified by the oath of the applicant, of all the property that belonged to the deceased at the time of his death.

Evaluation  
of  
subsequently  
discovered  
property

(2) When after the grant of probate or letters of administration any property belonging to the deceased at the time of his death and not included in such statement of total value is discovered by the executor or administrator, he shall, within six months thereafter, deliver to the registrar a true statement of the total value, duly verified by oath, of such newly discovered property.

Evaluation  
of limited  
grant

(3) Where the application or grant is limited to part only of the property of the deceased, it is sufficient to set forth in the statement of value only the property and value thereof intended to be affected by such application or grant.

s. 60 (2) (a),  
re-enacted

- 5.—(1) Clause *a* of subsection 2 of section 60 of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 19, section 1, is repealed and the following substituted therefor:

1977, c.

(a) the net value of the estate as computed for the purposes of section 46 of *The Succession Law Reform Act, 1977* does not exceed \$75,000; and

Application  
of subs. 1

- (2) Subsection 1 does not apply in respect of the administration of the estate of a person who died before this section comes into force.

s. 76 (1),  
amended

- 6.—(1) Subsection 1 of section 76 of the said Act is amended by striking out “as to personal property” in the ninth and tenth lines.

s. 76 (3),  
repealed

- (2) Subsection 3 of the said section 76 is repealed.

Commence-  
ment

- 7.—(1) This Act, except sections 5 and 6, comes into force on the day it receives Royal Assent.

Idem

- (2) Sections 5 and 6 come into force on the day *The Succession Law Reform Act, 1977* comes into force.

Short title

8. The short title of this Act is *The Surrogate Courts Amendment Act, 1977*.









An Act to amend  
The Surrogate Courts Act

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*1st Reading*

October 17th, 1977

*2nd Reading*

October 18th, 1977

*3rd Reading*

November 1st, 1977

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THE HON. R. McMURTRY  
Attorney General

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

An Act to amend The Education Act, 1974

MR. STONG



#### EXPLANATORY NOTE

This Bill defines "compulsory school age" and "special education", guarantees every child of compulsory school age a right to an education and transfers the establishing of special education programs from the discretion to the duty of a school board.

BILL 66

1977

## An Act to amend The Education Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Education Act, 1974*, being <sup>s. 1 (1),</sup> amended chapter 109, as amended by the Statutes of Ontario, 1976, chapter 50, section 1, is further amended by adding thereto the following paragraphs:

6a. "compulsory school age" includes every child who attains the age of six years on or before the first school day in September in any year and continues until he attains the age of sixteen years;

. . . . .

62a. "special education" means a program which includes facilities adequate to instruct a child who exhibits a disorder in one or more of the basic psychological processes involved in understanding or using spoken or written languages.

2. The said Act is amended by adding thereto the following <sup>s. 19a,</sup> section: enacted

19a. Every child of compulsory school age has a right to <sup>Right to</sup> an education. <sup>an education</sup>

3. Section 146 of the said Act, as amended by the Statutes of <sup>s. 146,</sup> Ontario, 1976, chapter 50, section 21, is further amended by <sup>amended</sup> adding thereto the following paragraph:

17. establish, subject to the regulations, special edu- <sup>special</sup> cation programs to provide special education ser- <sup>education</sup> vices for children who require such services. <sup>programs</sup>

4. Paragraph 40 of subsection 1 of section 147 of the said Act is <sup>s. 147 (1),</sup> repealed. <sup>par. 40,</sup> <sup>repealed</sup>

Commence-  
ment

**5.** This Act comes into force on the day it receives Royal Assent.

Short title

**6.** The short title of this Act is *The Education Amendment Act, 1977*.









An Act to amend  
The Education Act, 1974

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*1st Reading*

October 17th, 1977

*2nd Reading*

*3rd Reading*

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MR. STONG

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*(Private Member's Bill)*

X B  
B 56

Ontario. Legislative Assembly

Government  
Publications

**BILL 67**

**Private Member's Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

## An Act to amend The Labour Relations Act

MR. STONG



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

This Bill defines hospital pharmacists and establishes a bargaining unit of hospital pharmacists as an appropriate unit for collective bargaining.



BILL 67

1977

## An Act to amend The Labour Relations Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Labour Relations Act*, being <sup>s. 1 (1),  
amended</sup> chapter 232 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1975, chapter 76, section 1, is further amended by adding thereto the following clause:
 

(ha) "hospital pharmacist" means an employee who is licensed as a pharmacist under *The Health Disciplines Act*, 1974 and employed in a hospital as defined in *The Hospital Labour Disputes Arbitration Act* in a professional capacity. <sup>1974, c. 47  
R.S.O. 1970,  
c. 208</sup>
2. Section 6 of the said Act, as amended by the Statutes of <sup>s. 6,  
amended</sup> Ontario, 1975, chapter 76, section 3, is further amended by adding thereto the following subsection:
 

(5) A bargaining unit consisting solely of hospital pharmacists shall be deemed by the Board to be a unit of employees appropriate for collective bargaining, but the Board may include hospital pharmacists in a bargaining unit with other employees if the Board is satisfied that a majority of such hospital pharmacists wish to be included in such bargaining unit. <sup>Hospital  
pharmacists</sup>
3. This Act comes into force on the day it receives Royal Assent. <sup>Commence-  
ment</sup>
4. The short title of this Act is *The Labour Relations Amendment Act*, 1977. <sup>Short title</sup>

An Act to amend  
The Labour Relations Act

---

*1st Reading*

October 17th, 1977

*2nd Reading*

*3rd Reading*

---

MR. STONG

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*(Private Member's Bill)*

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Labour Relations Act**

MR. CASSIDY



#### EXPLANATORY NOTE

The Bill is designed to preserve the collective bargaining rights of employees of a business that is relocated. In addition to continuing bargaining rights and collective agreements after the relocation, the Bill provides for a sixty day period from the date of notice of the relocation during which an employee can choose to continue his employment at the new location. Once the relocation has taken place, the Ontario Labour Relations Board has authority to determine whether a new bargaining unit exists.

BILL 68

1977

## An Act to amend The Labour Relations Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Labour Relations Act*, being chapter 232 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section:

55a.—(1) Where an employer relocates his business, or a part thereof, the employer is bound by determinations, agreements and proceedings made under this Act before the date of the relocation until the Board otherwise declares, and the determinations, agreements and proceedings shall continue in effect as if no change had occurred except that the description of the bargaining unit contained in the certificate or collective agreement is deemed to be amended to include the new location.

(2) An employer shall provide reasonable notice to his employees of any decision to relocate his business and the employer shall permit an employee affected thereby sixty days from the date of the notice of relocation to accept employment at the new location.

(3) An employer is not required to continue the employment of an employee in accordance with subsection 2 where the employer no longer requires work of the same nature or similar skill requirements to work which the employee performed prior to the date of relocation.

(4) Where a business has been relocated, the Board may, upon the application of any person, trade union or council of trade unions,

- (a) determine whether the employees at the new location constitute a bargaining unit and certify a trade union or council of trade unions as the bargaining agent thereof; and



- (b) amend, to such extent as the Board considers necessary, any certificate of a trade union or council of trade unions issued prior to the relocation.

Commence-  
ment

2. This Act comes into force on the day it receives Royal Assent.

Short title

3. The short title of this Act is *The Labour Relations Amendment Act, 1977*.







An Act to amend  
The Labour Relations Act

---

*1st Reading*

October 17th, 1977

*2nd Reading*

*3rd Reading*

---

MR. CASSIDY

---

*(Private Member's Bill)*



1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Labour Relations Act**

MR. BREAGH



TORONTO

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#### EXPLANATORY NOTE

The purpose of this Bill is to prevent the hiring of strikebreakers and to control access to a work premises that is affected by a strike or lock-out. The Bill prohibits an employer from hiring or using the services of a person to do the work of an employee who is on strike or locked out unless that person is specifically authorized to do so. Similarly, when a picket line is established at a place of access to a work premises, access is limited to persons specifically authorized by the Bill.

## An Act to amend The Labour Relations Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Labour Relations Act*, being chapter 232 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section: s. 59a.  
enacted

59a.—(1) In this section,

Interpre-  
tation

- (a) “employer” includes an employers’ organization and a person acting on behalf of an employer or an employers’ organization;
- (b) “legal picket line” means a moving formation of two or more persons belonging to a certified bargaining unit who by means of signs or posters give notice that the certified bargaining unit is on strike or locked out.

(2) No employer shall employ or use the services of any person to perform the work of an employee who is exercising a legal right to strike or who is locked out unless, Unlawful  
employment

- (a) the person ordinarily exercises managerial or supervisory functions and was a full-time employee of the employer on the day the strike or lock-out commenced; or
- (b) the person is authorized to perform the work by agreement between the employer and representatives of the certified bargaining unit that is on strike or locked out.

(3) Where a legal picket line is formed in support of a lawful strike or lock-out at a place of access to a work premises, no person shall enter the premises unless, Unlawful  
entry

- (a) the person ordinarily exercises managerial and supervisory functions;
- (b) the person is a member of a certified bargaining unit that is not on strike or locked out and is not engaged in performing the work of an employee who is on strike or locked out;
- (c) the person is a non-union employee who was a full-time employee of the employer on the day the strike or lock-out was commenced and is not engaged in performing the work of an employee who is on strike or locked out;
- (d) the person requires access to the work premises for the purpose of providing emergency services;
- (e) the person is authorized to enter the work premises by agreement between the employer and representatives of the bargaining unit that is on strike or locked out.

Duty of  
police  
officer

(4) Where a picket line is formed in support of a lawful strike or lock-out at a place of access to a work premises, it is the duty of every police officer stationed at that place to ensure that no person other than a person authorized under subsection 3 enters the work premises.

Trespass

(5) A person who enters the work premises contrary to subsection 3 or who, upon gaining entry, performs work contrary to subsection 2, commits a trespass and is liable to proceedings under *The Petty Trespass Act*.

R.S.O. 1970,  
c. 347

Commence-  
ment

**2.** This Act comes into force on the day it receives Royal Assent.

Short title

**3.** The short title of this Act is *The Labour Relations Amendment Act, 1977*.









An Act to amend  
The Labour Relations Act

---

*1st Reading*

October 17th, 1977

*2nd Reading*

*3rd Reading*

---

MR. BREAUGH

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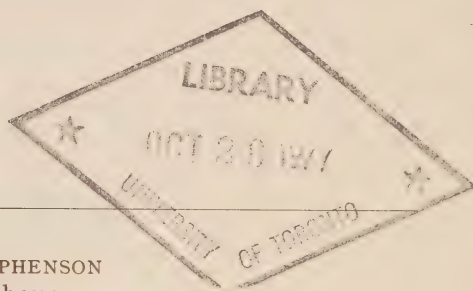
*(Private Member's Bill)*

**BILL 70**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act respecting the  
Occupational Health and Occupational Safety of Workers**



THE HON. B. STEPHENSON  
Minister of Labour



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#### EXPLANATORY NOTE

The purpose of the Bill is to revise and consolidate into one Act, the Acts dealing with the health and safety of workers at work.

These Acts are:

*The Mining Act*, R.S.O. 1970, c. 274, Part IX

*The Silicosis Act*, R.S.O. 1970, c. 438

*The Industrial Safety Act, 1971*, c. 43

*The Construction Safety Act, 1973*, c. 47

*The Employees' Health and Safety Act, 1976*, c. 79

The Bill provides that the application of the Act may be extended to work places not presently dealt with by regulation.

The Bill provides for the establishment of an Advisory Council on Occupational Health and Occupational Safety to make recommendations to and advise the Minister on matters relating to occupational health and safety.

The Bill further provides for the regulation of the use of and exposure to substances which may endanger health in a work place, the monitoring of the levels of such substances in a work place and requiring medical examinations of workers.

BILL 70

1977

## An Act respecting the Occupational Health and Occupational Safety of Workers

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1.** In this Act,

Interpre-  
tation

1. "committee" means a joint health and safety committee established under this Act; 1976, c. 79, s. 1 (*a*), *amended*.
2. "competent person" means a person who is selected by his employer as being qualified because of his,
  - i. knowledge, training and experience to organize the work and its performance,
  - ii. familiarity with the provisions of this Act and the regulations that apply to the work, and
  - iii. knowledge of any potential or actual danger to health or safety in the work place; *New*.
3. "construction" includes erection, alteration, repair, dismantling, demolition, structural maintenance, painting, land clearing, earth moving, grading, excavating, trenching, digging, boring, drilling, blasting, or concreting, the installation of any machinery or plant, and any work or undertaking in connection with a project; 1973, c. 47, s. 1 (*d*), *amended*.
4. "constructor" means a person or owner who undertakes a project; 1973, c. 47, s. 1 (*e*), *amended*.
5. "Deputy Minister" means the Deputy Minister of Labour; 1973, c. 47, s. 1 (*f*).

6. "designated substance" means a biological, chemical or physical agent or combination thereof prescribed as a designated substance to which the exposure of a worker is prohibited, regulated, restricted, limited or controlled;
7. "Director" means an inspector who is appointed under this Act as a Director of the Occupational Health and Safety Division of the Ministry; 1971, c. 43, s. 1 (*da*); 1972, c. 122, s. 1, *amended*.
8. "employer" means a person who employs one or more workers and includes, in relation to a part of a project, a contractor or subcontractor who performs work on the part of the project and a contractor or subcontractor who undertakes with an owner, constructor, contractor or subcontractor to perform work on the part of the project; 1971, c. 43, s. 1 (*e*); 1973, c. 47, s. 1 (*h*), *amended*.
9. "factory" means,
  - i. a building or place other than a mine, mining plant or place where homework is carried on, where,
    - A. any manufacturing process or assembling in connection with the manufacturing of any goods or products is carried on,
    - B. in preparing, inspecting, manufacturing, finishing, repairing, warehousing, cleaning or adapting for hire or sale any substance, article or thing, energy is,
      1. used to work any machinery or device, or
      2. modified in any manner,
    - C. any work is performed by way of trade or for the purposes of gain in or incidental to the making of any goods, substance, article or thing or part thereof,
    - D. any work is performed by way of trade or for the purposes of gain in or in-

cidental to the altering, demolishing, repairing, maintaining, ornamenting, finishing, storing, cleaning, washing or adapting for sale of any goods, substance, article or thing, or

E. aircraft, locomotives or vehicles used for private or public transport are maintained,

ii. a laundry including a laundry operated in conjunction with,

A. a public or private hospital,

B. a hotel, or

C. a public or private institution for religious, charitable or educational purposes, and

iii. a logging operation; 1971, c. 43, s. 1 (*h*), *amended*.

10. "health and safety representative" means a health and safety representative selected under this Act; 1976, c. 79, s. 1 (*d*), *amended*.
11. "homework" means the doing of any work in the manufacture, preparation, improvement, repair, alteration, assembly or completion of any article or thing or any part thereof by a person for wages in premises occupied primarily as living accommodation; 1971, c. 43, s. 1 (*i*).
12. "industrial establishment" means an office building, factory, shop or office, and any land, buildings and structures appertaining thereto; 1971, c. 43, s. 1 (*j*); 1974, c. 104, s. 1 (*i*), *amended*.
13. "inspector" means an inspector appointed for the purposes of this Act and includes a Director; 1971, c. 43, s. 1 (*k*); 1973, c. 47, s. 1 (*i*), *amended*.
14. "logging" means the operation of felling or trimming trees for commercial or industrial purposes and includes the measuring, storing, transporting or floating of logs and any such activities for the clearing of land; 1971, c. 43, s. 1 (*kb*); 1974, c. 104, s. 1 (2), *amended*.

15. "mine" means any work or undertaking for the purpose of opening up, proving, removing or extracting any metallic or non-metallic mineral or mineral-bearing substance, rock, earth, clay, sand or gravel; R.S.O. 1970, c. 274, s. 169 (1) (d), *amended*.
16. "mining plant" means any roasting or smelting furnace, concentrator, mill or place used for or in connection with washing, crushing, grinding, sifting, reducing, leaching, roasting, smelting, refining, treating or research on any substance mentioned in paragraph 15; R.S.O. 1970, c. 274, s. 169 (1) (g), *amended*.
17. "Minister" means the Minister of Labour; 1971, c. 43, s. 1 (l); 1973, c. 47, s. 1 (j).
18. "Ministry" means the Ministry of Labour; *New*.
19. "owner" includes a trustee, receiver, mortgagee in possession, tenant, lessee, or occupier of any lands or premises used or to be used as a work place, and a person who acts for or on behalf of an owner as his agent or delegate; R.S.O. 1970, c. 274, s. 1, par. 18; 1971, c. 43, s. 1 (n); 1973, c. 47, s. 1 (l), *amended*.
20. "prescribed" means prescribed by a regulation made under this Act; *New*.
21. "project" means the construction of a building, bridge, structure, industrial establishment, mining plant, shaft, tunnel, caisson, highway, railway, street, runway, parking lot, cofferdam, conduit, sewer, watermain, telegraph, telephone or electrical cable, pipe line, duct or well, or any combination thereof, public or private, including mine development or any work or undertaking, or any lands or appurtenances used in connection with construction; 1973, c. 47, s. 1 (n), *amended*.
22. "regulations" means the regulations made under this Act; 1971, c. 43, s. 1 (r); 1973, c. 47, s. 1 (o), *amended*.
23. "shop" means a building, booth or stall or a part of such building, booth or stall where goods are handled, exposed or offered for sale or where services are offered for sale; 1971, c. 43, s. 1 (s), *amended*.
24. "supervisor" means a foreman, superintendent or manager who has charge of a work place or authority over a worker; *New*.



25. "trade union" means a trade union as defined in *The Labour Relations Act* that has the status of <sup>R.S.O. 1970, c. 232</sup> exclusive bargaining agent under that Act in respect of any bargaining unit or units in a work place; 1976, c. 79, s. 1 (g), *amended*.
26. "work place" includes any site, location, space, water, vehicle, aircraft, equipment, land, building, shop, structure whether movable or not, mine, mining plant, industrial establishment, project site, premises and area, public or private, or any part thereof, at, upon, in or near which a worker performs work; *New*.
27. "worker" includes a person who is in or on a work place for any purpose in connection therewith. 1973, c. 47, s. 1 (t), *amended*.

## PART I

### APPLICATION

**2.—**(1) This Act binds the Crown and applies to an <sup>Application to Crown</sup> employee in the service of the Crown or an agency, board, commission or corporation that exercises any function assigned or delegated to it by the Crown. 1971, c. 43, s. 3; 1973, c. 47, s. 2 (1), *amended*.

(2) Notwithstanding anything in any general or special <sup>Application of other Acts</sup> Act, the provisions of this Act and the regulations prevail. 1976, c. 79, s. 11.

**3.—**(1) This Act applies to, <sup>Application to work places</sup>

- (a) a project;
- (b) a mine;
- (c) a mining plant;
- (d) an industrial establishment; and
- (e) a work place designated generally or specifically by regulation.

(2) This Act does not apply to, <sup>Where Act does not apply</sup>

- (a) a project being done in person by the owner or occupants of a private residence in relation to such residence; and

- (b) a work place that is exempted generally or specifically by regulation. 1971, c. 43, s. 2; 1973, c. 47, ss. 2 (1), 3, *amended*.

## PART II

### ADMINISTRATION

Delegation  
of powers

**4.** Where under this Act or the regulations any power or duty is granted to or vested in the Minister or the Deputy Minister, the Minister or Deputy Minister may in writing delegate that power or duty from time to time to any officer or officers of the Ministry subject to such limitations, restrictions, conditions and requirements as the Minister or Deputy Minister may set out in the delegation. *New*.

Appoint-  
ment of  
inspectors  
and  
Directors

**5.—**(1) Such persons as may be necessary to administer and enforce this Act and the regulations may be appointed as inspectors by the Deputy Minister and the Deputy Minister may designate one or more of the inspectors as a Director or Directors. 1971, c. 43, s. 6 (1, 2); 1973, c. 47, s. 4 (1, 2), *amended*.

Director  
may act as  
inspector

(2) A Director may exercise any of the powers or perform any of the duties of an inspector under this Act or the regulations. *New*.

Certificate  
of appoint-  
ment

**6.—**(1) The Deputy Minister shall issue a certificate of appointment, bearing his signature or a facsimile thereof, to every inspector.

Production  
of  
certificate

(2) Every inspector, in the exercise of any of his powers or duties under this Act, shall produce his certificate of appointment upon request. 1971, c. 43, s. 7; 1973, c. 47, s. 5, *amended*.

Order  
establish-  
ing joint  
health and  
safety  
committee

**7.—**(1) The Minister may, by order in writing, require an employer, a constructor or a group of employers to establish a joint health and safety committee or committees for a work place, or any part or parts thereof, and, in the order, may provide for the qualifications and the term of office of its members and its practice and procedures, and, from time to time, may give such directions as the Minister considers advisable concerning the carrying out of its functions.

What  
Minister  
shall  
consider

(2) In exercising the power conferred by subsection 1, the Minister shall consider,

- (a) the nature of the work being done;
- (b) the number of workers engaged in the work;

- (c) the request of a constructor, an employer, a group of the workers or the trade union or trade unions representing the workers in a work place;
- (d) the frequency of illness or injury in the work place or in the industry of which the constructor or employer is a part;
- (e) the existence of health and safety programs and procedures in the work place and the effectiveness thereof; and
- (f) such other matters as the Minister considers advisable.

(3) A committee shall consist of such number of persons as the Minister may prescribe, of whom half shall be workers who do not exercise managerial functions, to be selected by the workers they are to represent or, where there is a trade union or trade unions representing such workers, by the trade union or trade unions. Composi-  
tion of  
committee

(4) It is the function of a committee and it has power to, Powers of  
committee

- (a) identify situations that may be a source of danger or hazard to workers;
- (b) make recommendations to the constructor, employer or group of employers, as the case may be, and the workers for the improvement of the health and safety of workers;
- (c) recommend to the constructor, employer or group of employers, as the case may be, and the workers, the establishment, maintenance and monitoring of programs, measures and procedures respecting the health or safety of workers; and
- (d) obtain information from the constructor or employer respecting,
  - (i) the identification of potential or existing hazards of materials, processes or equipment, and
  - (ii) health and safety experience and work practices and standards in similar or other industries of which the employer has knowledge.

Minutes of  
proceed-  
ings

(5) A committee shall maintain and keep minutes of its proceedings and make the same available for examination and review by an inspector. *New.*

Posting of  
names and  
work  
locations

(6) The employer, constructor or group of employers required by the order of the Minister to establish a committee pursuant to subsection 1 shall post and keep posted at the work place the names and work locations of the committee members in a conspicuous place or places where they are most likely to come to the attention of the workers.

Meetings

(7) A committee shall meet at least once every three months at the work place and may be required to meet by order of the Minister.

Entitle-  
ment to  
time from  
work

(8) A member of a committee is entitled to such time from his work as is necessary to attend meetings of the committee and the time so spent shall be deemed to be work time for which he shall be paid by his employer at his regular or premium rate as may be proper. 1976, c. 79, s. 4 (5-7), *amended.*

Effect of  
order on  
collective  
agreement

(9) Where a committee is established under this Act, those provisions of a collective agreement providing for the creation of any committee of like nature are suspended and any committee formed under the collective agreement shall be superseded by the committee established under this Act.

Existing  
health and  
safety  
committees  
under  
collective  
agreements  
continued

(10) Any committee of like nature to a committee that may be established under this Act, created under the provisions of a collective agreement and not superseded by a committee established under this Act, has, in addition to its functions and powers under the provisions of the collective agreement, the functions and powers conferred upon a committee by subsection 4.

Existing  
rights and  
liabilities.  
etc.

(11) Subsection 9 does not affect any right, privilege, obligation or liability acquired, accrued, accruing or incurred prior to the establishment of a committee under this Act. *New.*

Order  
appointing  
health and  
safety  
representa-  
tives

8.—(1) The Minister may, by order in writing, require an employer, a constructor or a group of employers to cause the selection of one or more health and safety representatives for a work place or a part or parts thereof from among the workers employed at the work place or in the part or parts thereof who do not exercise managerial functions, and may provide in the order for the qualifications of such representative or representatives.



(2) The Minister may from time to time give such directions as the Minister considers advisable concerning the carrying out of the functions of a health and safety representative. 1976, c. 79, s. 5 (1), *amended*. Idem

(3) In exercising the power conferred by subsection 1, the Minister shall consider the matters set out in subsection 2 of section 7, and in addition thereto, the Minister shall consider whether a committee has or has not been ordered to be established. *New*. What Minister shall consider

(4) The selection of a health and safety representative shall be made by those workers who do not exercise managerial functions and who will be represented by the health and safety representative in the work place, or the part or parts thereof, as the case may be, or, where there is a trade union or trade unions representing such workers, by the trade union or trade unions. Selection of representatives

(5) A health and safety representative may inspect the work place or the part or parts thereof for which he has been selected, as the case may be, not more often than once a month or at such intervals as a Director may direct, and it is the duty of the employer and the workers to afford the health and safety representative such information and assistance as may be required for the purpose of carrying out the inspection. Powers of representative

(6) A health and safety representative has power to identify situations that may be a source of danger or hazard to workers and to make recommendations or report his findings thereon to the employer, workers, a trade union or trade unions representing workers and a joint health and safety committee, if any. Idem

(7) Where a person is killed or critically injured at a work place from any cause, the health and safety representative may, subject to subsection 2 of section 23, inspect the place where the accident occurred and any machine, device or thing, and shall report his findings in writing to a Director and a committee, if any. Notice of accident. inspection by representative

(8) A health and safety representative is entitled to take such time from his work as is necessary to carry out his duties under subsections 5 and 7 and the time so spent shall be deemed to be work time for which he shall be paid by his employer at his regular or premium rate as may be proper. 1976, c. 79, s. 5 (2-6), *amended*. Entitlement to time from work

(9) Where one or more health and safety representatives are selected under this Act, those provisions of a collective Effect on collective agreement

agreement providing for the appointment of a health and safety representative or representatives of like nature are suspended, and a health and safety representative or representatives appointed under the collective agreement shall be superseded by the health and safety representative or representatives selected under this Act.

Existing  
rights and  
liabilities,  
etc.

(10) Subsection 9 does not affect any right, privilege, obligation or liability acquired, accruing or incurred prior to the selection of a health and safety representative or representatives under this Act.

Additional  
power of  
existing  
health and  
safety  
representa-  
tive

(11) A health and safety representative or representatives of like nature appointed or selected under the provisions of a collective agreement and not superseded by a health and safety representative selected under this Act has, in addition to his functions and powers under the provisions of the collective agreement, the functions and powers conferred upon a health and safety representative by subsections 5, 6 and 7. *New.*

Summary  
to be  
furnished

**9.—**(1) The Workmen's Compensation Board, upon the request of an employer, a worker or a trade union, shall send to the employer, worker or trade union an annual summary of data relating to the employer in respect of the number of work accident fatalities, the number of lost workday cases, the number of lost workdays, the number of non-fatal cases that required medical aid without lost workdays, the number of occupational illnesses, the number of occupational injuries, and such other data as the Board may consider necessary or advisable.

Posting of  
copy of  
summary

(2) Upon receipt of the annual summary, the employer shall cause a copy thereof to be posted in a conspicuous place or places at the work place where it is most likely to come to the attention of the workers. 1976, c. 79, s. 8, *amended.*

Advisory  
Council on  
Occupational  
Health and  
Occupational  
Safety

**10.—**(1) There shall be a council to be known as the Advisory Council on Occupational Health and Occupational Safety composed of not fewer than twelve and not more than twenty members appointed by the Lieutenant Governor in Council on the recommendation of the Minister.

Term of  
office of  
members

(2) The members of the Advisory Council shall be appointed for such term as the Lieutenant Governor in Council determines and shall be representative of management, labour and technical or professional persons and the public who are concerned with and have knowledge of occupational health and occupational safety.

(3) The Lieutenant Governor in Council shall designate a chairman and a vice-chairman of the Advisory Council from among the members appointed. Chairman and vice-chairman

(4) The Lieutenant Governor in Council may fill any vacancy that occurs in the membership of the Advisory Council. Vacancies

(5) The remuneration and expenses of the members of the Advisory Council shall be determined by the Lieutenant Governor in Council and shall be paid out of the moneys appropriated therefor by the Legislature. Remuneration and expenses

(6) The Advisory Council, with the approval of the Minister, may make rules and pass resolutions governing its procedure, including the calling of meetings, the establishment of a quorum, and the conduct of meetings. Powers of Advisory Council

(7) The function of the Advisory Council is and it has power, Idem

(a) to make recommendations to the Minister relating to programs of the Ministry in occupational health and occupational safety; and

(b) to advise the Minister on matters relating to occupational health and occupational safety which may be brought to its attention or be referred to it. *New.*

**11.**—(1) The Minister may appoint committees, which are not committees as defined in paragraph 1 of section 1, or persons to assist or advise the Minister on any matter arising under this Act or to inquire into and report to the Minister on any matter that the Minister considers advisable. Advisory committees

(2) Any person appointed under subsection 1 who is not an officer in the public service of the Province of Ontario may be paid such remuneration and expenses as may be from time to time fixed by the Lieutenant Governor in Council. *New.* Remuneration and expenses

**12.**—(1) The Lieutenant Governor in Council may, upon the recommendation of the Minister, fix an amount that shall be assessed and levied by the Workmen's Compensation Board upon the employers in Schedule 1 under *The Workmen's Compensation Act* engaged in projects, excluding mine development, or the construction of a mining plant, to defray the expenses of the administration of this Act and the regulations. Assessment to defray expenses  
R.S.O. 1970, c. 505



Method of  
collection  
R.S.O. 1970,  
c. 505

(2) The Workmen's Compensation Board shall add to the assessment and levy made under *The Workmen's Compensation Act* upon each employer in Schedule 1 under that Act engaged in projects, excluding mine development, or the construction of a mining plant, a sum which shall be calculated as a percentage of the said assessment and levy and which percentage shall be determined as the proportion that the amount fixed under subsection 1 bears to the total sum that the Workmen's Compensation Board fixes and determines to be assessed for payment by all employers in the said Schedule 1 engaged in projects, excluding mine development, or the construction of a mining plant, and *The Workmen's Compensation Act* applies to such sum and to the collection and payment thereof in the same manner as to an assessment and levy made under that Act.

Idem

(3) The Workmen's Compensation Board shall collect the assessment and levy imposed under this section and shall pay the amounts so collected to the Treasurer of Ontario. 1973, c. 47, s. 29, *amended*.

### PART III

#### DUTIES OF A CONSTRUCTOR, EMPLOYER, SUPERVISOR, WORKER, OWNER AND SUPPLIER

Duties of  
constructor

**13.**—(1) A constructor shall ensure that,

- (a) the measures and procedures required by this Act and the regulations are carried out on a project undertaken by the constructor; and
- (b) every employer and every worker performing work on a project undertaken by the constructor complies with this Act and the regulations. 1973, c. 47, s. 14 (3), *amended*.

Notice of  
project

(2) Where so prescribed, a constructor shall, before commencing any work on a project, give to a Director notice in writing of the project containing such information as may be prescribed. *New*.

Duties of  
employer

**14.**—(1) An employer shall ensure that,

- (a) the equipment, materials and protective devices as prescribed are provided;
- (b) the equipment, materials and protective devices provided by him are,

- (i) maintained in good condition, and
  - (ii) used as prescribed;
  - (c) the measures and procedures prescribed are carried out in the work place; and
  - (d) a floor, roof, wall, pillar, support or other part of a work place is capable of supporting all loads to which it may be subjected without causing the materials therein to be stressed beyond the allowable unit stresses established under *The Building Code Act*, 1974, c. 74, 1974.
- (2) Without limiting the strict duty imposed by sub-section 1, an employer shall, Additional duties of employer
- (a) provide information, instruction and supervision to a worker to protect the health or safety of the worker;
  - (b) appoint one or more competent persons to be a supervisor or supervisors;
  - (c) acquaint a worker or a person in authority over a worker with any hazard in the work and in the handling, storage, use, disposal and transport of any article, device, equipment or a biological, chemical or physical agent;
  - (d) afford assistance and co-operation to a committee and a health and safety representative in the carrying out by the committee and the health and safety representative of any of their functions;
  - (e) only employ in or about a work place a person over such age as may be prescribed;
  - (f) not knowingly permit a person who is under such age as may be prescribed to be in or about a work place; and
  - (g) take every precaution reasonable in the circumstances for the protection of a worker.
- (3) For the purposes of clause *b* of subsection 2, an employer <sup>Idem</sup> may appoint himself as a supervisor where the employer is qualified because he has the qualifications set out in subparagraphs i, ii and iii of paragraph 2 of section 1. 1971, c. 43, ss. 24 (1-3), *part*, 28 (1, 2); 1973, c. 47, s. 17 (1, 2), *amended*.

Idem

**15.** In addition to the duties imposed by section 14, an employer shall,

- (a) establish an occupational health service for workers at a work place as prescribed;
- (b) where an occupational health service is established as prescribed, maintain the same according to the standards prescribed;
- (c) keep and maintain accurate records of the handling, storage, use and disposal of biological, chemical or physical agents as prescribed;
- (d) accurately keep and maintain such records of the exposure of a worker to biological, chemical or physical agents as may be prescribed;
- (e) notify a Director of the use or introduction into a work place of such biological, chemical or physical agents as may be prescribed;
- (f) monitor at such time or times or at such interval or intervals the levels of biological, chemical or physical agents in a work place and keep accurate records thereof as prescribed;
- (g) comply with a standard limiting the exposure of a worker to biological, chemical or physical agents as prescribed;
- (h) where so prescribed, only permit a worker to work or be in a work place who has undergone such medical examinations, tests or x-rays as prescribed and who is found to be physically fit to do the work in the work place; and
- (i) where so prescribed, provide a worker with written instructions as to the measures and procedures to be taken for the protection of a worker. *New.*

Duties of supervisor

**16.—(1)** A supervisor shall ensure that a worker,

- (a) works in the manner and with the protective devices, measures and procedures required by this Act and the regulations; and
- (b) uses or wears the equipment, protective devices or clothing that his employer requires to be used or worn.

(2) Without limiting the strict duty imposed by sub-section 1, a supervisor shall, Additional duties of supervisor

- (a) advise a worker of the existence of any potential or actual danger to the health or safety of the worker of which the supervisor is aware;
- (b) where so prescribed, provide a worker with written instructions as to the measures and procedures to be taken for protection of the worker; and
- (c) take every precaution reasonable in the circumstances for the protection of a worker. R.S.O. 1970, c. 274, s. 177 (6); 1971, c. 43, s. 26; 1973, c. 47, s. 17 (1, 3), *amended*.

**17.**—(1) A worker shall, Duties of workers

- (a) work in compliance with the provisions of this Act and the regulations;
- (b) use or wear the equipment, protective devices or clothing that his employer requires to be used or worn;
- (c) report to his employer or supervisor the absence of or defect in any equipment or protective device of which he is aware and which may endanger himself or another worker;
- (d) report to his employer or supervisor any contravention of this Act or the regulations or the existence of any hazard of which he knows; and
- (e) where so prescribed, have, at the expense of the employer, such medical examinations, tests or x-rays, at such time or times and at such place or places as prescribed.

(2) No worker shall, Idem

- (a) remove or make ineffective any protective device required by the regulations or by his employer, without providing an adequate temporary protective device;
- (b) use or operate any equipment, machine, device or thing or work in a manner that may endanger himself or any other worker; or

- (c) engage in any prank, contest, feat of strength, unnecessary running or rough and boisterous conduct. 1971, c. 43, ss. 27, 29, 31 (3); 1973, c. 47, ss. 18, 19, 20, *amended*.

Duties of  
owners

**18.**—(1) The owner of a work place that is not a project shall,

(a) ensure that,

- (i) such facilities as may be prescribed are provided,
- (ii) any facilities prescribed to be provided are maintained as prescribed,
- (iii) the work place complies with the regulations, and
- (iv) no work place is constructed, developed, reconstructed, altered or added to except in compliance with this Act and the regulations; and

(b) where so prescribed, furnish to a Director any drawings, plans or specifications of any work place as prescribed. 1971, c. 43, s. 22.

Mine  
plans

(2) The owner of a mine shall cause drawings, plans or specifications to be maintained and kept up to a date not more than six months last past on such scale and showing such matters or things as may be prescribed. R.S.O. 1970, c. 274, s. 617, *amended*.

Plans of  
work  
places

(3) Where so prescribed, an owner or employer shall,

- (a) not begin any construction, development, reconstruction, alteration, addition or installation to or in a work place until the drawings, layout and specifications thereof and any alterations thereto have been filed with the Ministry for review by an engineer for compliance with this Act and the regulations, and the same have been reviewed for such compliance; and
- (b) keep a copy of the drawings as reviewed in a convenient location at or near the work place and such drawings shall be produced by the owner or employer upon the request of an inspector for his examination and inspection. 1971, c. 43, s. 17 (1, 5), *amended*.



(4) An engineer may require the drawings, layout and specifications to be supplemented by the owner or employer with additional information. 1971, c. 43, s. 17 (3) (b), *amended*. Additional information

(5) Fees as prescribed for the filing and review of drawings, layout or specifications shall become due and payable by the owner or employer upon filing. 1971, c. 43, s. 17 (6), *amended*. Fees

(6) In subsections 3 and 4 and in section 34 "engineer" means a person employed by the Ministry who is registered as a professional engineer or licenced as a professional engineer under *The Professional Engineers Act*. *New*. Interpretation  
R.S.O. 1970,  
c. 366

**19.** Every person who supplies any machine, device, tool or equipment under any rental, leasing or similar arrangement for use in or about a work place shall ensure, Duties of suppliers

- (a) that the machine, device, tool or equipment is in good condition;
- (b) that the machine, device, tool or equipment complies with this Act and the regulations; and
- (c) if it is his responsibility under the rental, leasing or similar arrangement to do so, that the machine, device, tool or equipment is maintained in good condition. 1971, c. 43, s. 30; 1973, c. 47, s. 24 (2), *amended*.

## PART IV

### TOXIC SUBSTANCES

**20.**—(1) Where a biological, chemical or physical agent or combination of such agents used or intended to be used in the work place, their presence in the work place or the manner of use is in the opinion of a Director likely to endanger the health of a worker, the Director may by notice in writing to the employer order that the use, intended use, presence or manner of use be, Orders of Director

- (a) prohibited;
- (b) limited or restricted in such manner as the Director specifies; or

- (c) subject to such conditions regarding administrative control, work practices, engineering control and time limits for compliance as the Director specifies.

Contents of  
order

(2) Where a Director makes an order to an employer under subsection 1, the order shall,

- (a) identify the biological, chemical or physical agent, or combination of such agents, and the manner of use that is the subject-matter of the order; and
- (b) state the opinion of the Director as to the likelihood of the danger to the health of a worker, and his reasons in respect thereof, including the matters or causes which give rise to his opinion.

Posting of  
order

(3) The employer shall cause a copy of an order made under subsection 1 to be posted in a conspicuous place in the work place where it is most likely to come to the attention of the workers who may be affected by the use, presence or intended use of the biological, chemical or physical agent or combination of agents.

Appeal to  
Minister

(4) Where the employer, a worker or a trade union considers that he or it is aggrieved by an order made under subsection 1, the employer, worker or trade union may by notice in writing given within fourteen days of the making of the order appeal to the Minister.

Delegation

(5) The Minister may, having regard to the circumstances, direct that an appeal under subsection 4 be determined on his behalf by a person appointed by him for that purpose.

Procedure

(6) The Minister or, where a person has been appointed under subsection 5, the person so appointed, may give such directions and issue such orders as he considers proper or necessary concerning the procedures to be adopted or followed and shall have all the powers of a chairman of a board of arbitration under subsection 7 of section 37 of *The Labour Relations Act*.

R.S.O. 1970,  
c. 232

Substitu-  
tion of  
findings

(7) On an appeal, the Minister or, where a person has been appointed under subsection 5, the person so appointed, may substitute his findings for those of the Director and may rescind or affirm the order appealed from or make a new order in substitution therefor and such order shall stand



in the place of and have the like effect under this Act and the regulations as the order of the Director, and such order shall be final and not subject to appeal under this section.

(8) In making a decision or order under subsection 1 or subsection 7, a Director, the Minister, or, where a person has been appointed under subsection 5, the person so appointed, shall consider as relevant factors, Matters to be considered

- (a) the relation of the agent, combination of agents or by-product to a biological or chemical agent that is known to be a danger to health;
- (b) the quantities of the agent, combination of agents or by-product used or intended to be used or present;
- (c) the extent of exposure;
- (d) the availability of other processes, agents or equipment for use or intended use;
- (e) data regarding the effect of the process or agent on health; and
- (f) any criteria or guide with respect to the exposure of a worker to a biological, chemical or physical agent or combination of such agents that are adopted by a regulation related to exposure to a toxic or potentially toxic substance.

(9) On an appeal under subsection 4, the Minister or, where a person has been appointed under subsection 5, the person so appointed, may suspend the operation of the order appealed from pending the disposition of the appeal. Suspension of order by Minister, etc., pending disposition of appeal

(10) A person appointed under subsection 5 shall be paid remuneration and expenses at the same rate as is payable to a chairman of a conciliation board under *The Labour Relations Act*. Remuneration of appointee R.S.O. 1970, c. 232

(11) This section does not apply to designated substances. Application

(12) A Director is not required to hold or afford to an employer or any other person an opportunity for a hearing before making an order under subsection 1. *New.* No hearing required prior to issuing order

## PART V

REFUSAL TO WORK WHERE HEALTH  
OR SAFETY IN DANGER

Duty to  
report  
unsafe  
conditions

**21.**—(1) Where a worker has cause to believe that,

- (a) any equipment, machine, device or thing he is to use or operate is,
  - (i) in contravention of this Act or the regulations, and
  - (ii) is likely to endanger himself or another worker; or
- (b) the work place or the part thereof in which he is to work is,
  - (i) in contravention of this Act or the regulations, and
  - (ii) likely to endanger himself,

the worker shall, before using or operating or continuing to use or operate the equipment, machine, device or thing, or working in the work place, report the same to his supervisor who shall investigate the matter and the worker shall remain in a safe place near his work station during the investigation. 1971, c. 43, s. 31 (1, 2); 1976, c. 79, s. 5 (1), *amended*.

Dispute of  
super-  
visor's  
report

(2) Where upon the investigation the worker disputes the direction or finding of the supervisor, the supervisor shall cause the same to be further investigated in the presence of the worker and if there is such, in the presence of one of,

- (a) a health and safety representative, if any;
- (b) a committee member who represents workers, if any; or
- (c) a worker, who because of his knowledge, experience and training, is selected by a trade union that represents the worker, or if there is no trade union, is selected by the workers to represent them,

and who is reasonably available and in the presence of the employer or a person other than the supervisor representing the employer.

(3) Where upon an investigation the employer or the person representing the employer disputes the report of the worker or takes steps to deal with the circumstances that caused the worker to make the report, the worker may refuse to work where the worker has reasonable grounds to believe that the equipment, machine, device or thing the worker is to use or operate or the work place in which the worker is to work comes within clause *a* or *b* of subsection 1. Refusal to work

(4) Where a worker refuses to work pursuant to subsection 3, the employer shall immediately cause an inspector to be notified thereof. Notice of refusal to work

(5) The worker who refuses to work pursuant to subsection 3 or, if there is such, the person mentioned in clause *a*, *b* or *c* of subsection 2, may cause an inspector to be notified of the refusal to work. Idem

(6) An inspector shall investigate the refusal to work in the presence of the employer or a person representing the employer, the worker, and if there is such, the person mentioned in clause *a*, *b* or *c* of subsection 2. Investigation by inspector

(7) The inspector shall, following the investigation referred to in subsection 6, decide whether the machine, device, thing or the work place or part thereof is in contravention of this Act or the regulations and is likely to endanger the worker or another worker. 1976, c. 79, s. 3 (2-4), *amended*. Decision of inspector

(8) The inspector shall give his decision, in writing, to the employer, the worker, and, if there is such, the person mentioned in clause *a*, *b* or *c* of subsection 2. Idem

(9) Pending the investigation and decision of the inspector, the worker shall remain at a safe place near his work station during his normal working hours unless the employer, subject to the provisions of a collective agreement, if any, Worker to remain at a safe place pending decision

(a) assigns the worker reasonable alternative work during such hours; or

(b) where an assignment of reasonable alternative work is not practicable, gives other directions to the worker.

(10) The time spent by a person mentioned in clause *a*, *b* or *c* of subsection 2 in accompanying an inspector during his investigation, shall be deemed to be work time for which the person shall be paid by his employer at his regular or premium rate as may be proper. Entitlement to time from work

Refusal to  
work  
without  
reasonable  
grounds

(11) A worker who without reasonable grounds exercises a right conferred by this section may be subject to such discipline as his employer may impose under the terms or conditions of employment that apply to the worker. *New.*

## PART VI

### REPRISALS BY EMPLOYER PROHIBITED

No  
discipline,  
dismissal,  
etc., by  
employer

**22.—**(1) No employer shall,

- (a) dismiss or threaten to dismiss a worker;
- (b) discipline or suspend or threaten to discipline or suspend a worker;
- (c) impose any penalty upon a worker; or
- (d) intimidate or coerce a worker,

because the worker has acted in compliance with this Act or the regulations or an order made thereunder or has sought the enforcement of this Act or the regulations. 1971, c. 43, s. 24 (5); 1973, c. 47, s. 17 (4); 1976, c. 79, s. 9 (1), *amended*.

Arbitra-  
tion

(2) Where a worker complains that an employer has contravened subsection 1, the worker may either have the matter dealt with by final and binding settlement by arbitration under a collective agreement, if any, or file a complaint with the Ontario Labour Relations Board in which case any regulations governing the practice and procedure of the Board apply, with all necessary modifications, to the complaint.

Inquiry  
by Ontario  
Labour  
Relations  
Board  
R.S.O. 1970,  
c. 232

(3) The Ontario Labour Relations Board may inquire into any complaint filed under subsection 2, and section 79 of *The Labour Relations Act*, except subsection 4a, applies with all necessary modifications, as if such section, except subsection 4a, is enacted in and forms part of this Act.

Idem

(4) On an inquiry by the Ontario Labour Relations Board into a complaint filed under subsection 2, sections 91, 92, 95, 97 and 98 of *The Labour Relations Act* apply, with all necessary modifications.

Onus of  
proof

(5) On an inquiry by the Ontario Labour Relations Board into a complaint filed under subsection 2, the burden of proof that an employer did not act contrary to subsection 1 lies upon the employer. 1976, c. 79, s. 9 (2-5), *amended*.



(6) The Ontario Labour Relations Board shall exercise jurisdiction under this section on a complaint by a Crown employee that the Crown has contravened subsection 1. *New.* Jurisdiction when complaint by Crown employee

## PART VII

### NOTICES

**23.**—(1) Where a person is killed or critically injured from any cause at a work place, the constructor, if any, and the employer shall notify an inspector and a health and safety representative, if any, immediately of the occurrence by telephone, telegram or other direct means and the employer shall, within forty-eight hours after the occurrence, send to a Director a written report of the circumstances of the occurrence containing such information and particulars as the regulations may prescribe. Notice of death or injury

(2) Where a person is killed or is critically injured at a work place no person shall, except for the purpose of, Preservation of wreckage

- (a) saving life or relieving human suffering;
- (b) maintaining an essential public utility service or a public transportation system; or
- (c) preventing unnecessary damage to equipment or other property,

interfere with, disturb, destroy, alter or carry away any wreckage, article or thing at the scene of or connected with the occurrence until permission so to do has been given by an inspector. R.S.O. 1970, c. 274, s. 612; 1971, c. 43, s. 33; 1973, c. 47, s. 25, *amended*.

**24.**—(1) Where an accident, explosion or fire causes injury to a person at a work place whereby he is disabled from performing his usual work or requires medical attention, and such occurrence does not cause death or critical injury to any person, the employer shall give notice in writing, within four days of the occurrence, to a Director containing such information and particulars as may be prescribed. R.S.O. 1970, c. 274, s. 613; 1971, c. 43, s. 34; 1973, c. 47, s. 30, *amended*. Notice of accident, explosion or fire causing injury

(2) Where an employer is advised by a worker or by a person on behalf of the worker that the worker has an occupational disease, the employer shall give notice in writing, within four days of being so advised, to a Director Notice of occupational disease

containing such information and particulars as may be prescribed. 1971, c. 43, s. 34; *part, amended*.

Idem

(3) Subsection 2 applies, with all necessary modifications, where an employer is advised by a former worker of the employer or a person on behalf of such worker, that such worker has or had an occupational disease. *New*.

Accidents,  
explosions,  
etc., at a  
project site  
or mine

**25.** Where a notice or report is not required under section 23 or 24 and an accident, premature or unexpected explosion, fire, flood or inrush of water, failure of any equipment, machine, device, article or thing, cave-in, subsidence, rockburst, or other incident as prescribed occurs at a project site, mine or mining plant, notice in writing of the occurrence shall be given to a Director by the constructor of the project or the owner of the mine or mining plant, within two days of the occurrence containing such information and particulars as may be prescribed. R.S.O. 1970, c. 274, s. 614, *amended*.

## PART VIII

### ENFORCEMENT

Powers of  
inspector

**26.**—(1) An inspector may, for the purposes of carrying out his duties and powers under this Act and the regulations,

- (a) subject to subsection 2, enter in or upon any work place at any time without warrant or notice;
- (b) take up or use any machine, device, article, thing, material or biological, chemical or physical agent or part thereof;
- (c) require the production of any drawings, specifications, licence, document, record or report, and inspect, examine and copy the same;
- (d) upon giving a receipt therefor, remove any drawings, specifications, licence, document, record or report inspected or examined for the purpose of making copies thereof or extracts therefrom, and upon making copies thereof or extracts therefrom, shall promptly return the same to the person who produced or furnished them;
- (e) conduct or take tests of any equipment, machine, device, article, thing, material or biological, chemical or physical agent in or about a work place and for

such purposes, take and carry away such samples as may be necessary;

- (f) in any inspection, examination, inquiry or test, be accompanied and assisted by or take with him any person or persons having special, expert or professional knowledge of any matter, take photographs, and take with him and use any equipment or materials required for such purpose;
- (g) make inquiries of any person who is or was in a work place either separate and apart from another person or in the presence of any other person that are or may be relevant to an inspection, examination, inquiry or test;
- (h) require that a work place or part thereof not be disturbed for a reasonable period of time for the purposes of carrying out an examination, investigation or test;
- (i) require that any equipment, machine, device, article, thing or process be operated or set in motion or that a system or procedure be carried out that may be relevant to an examination, inquiry or test;
- (j) require in writing an owner, constructor or employer to provide, at the expense of the owner, constructor or employer, a report bearing the seal and signature of a professional engineer stating,
  - (i) the load limits of a floor, roof or temporary work or part of a building, structure or temporary work,
  - (ii) that a floor, roof or temporary work is capable of supporting or withstanding the loads being applied to it or likely to be applied to it, or
  - (iii) that a floor, roof or temporary work, or part of a building, structure or temporary work is capable of supporting or withstanding all loads to which it may be subject without exceeding the allowable unit stresses for the materials used as provided under *The Building Code Act, 1974*; <sup>1974, c. 74</sup>
- (k) require in writing an owner of a mine or part thereof to provide, at his expense, a report in writing



bearing the seal and signature of a professional engineer stating that the support, stability or rock mechanics of the mine or part thereof is such that a worker is not likely to be endangered; and R.S.O. 1970, c. 274, s. 618 (1) (a, b); 1971, c. 43 s. 8 (1); 1973, c. 47, s. 6 (1), *amended*.

(l) require in writing an employer to produce any record or information, or to provide, at the expense of the employer, a report or assessment made or to be made by a person possessing such special, expert or professional knowledge or qualifications as are specified by the inspector of any process or biological, chemical or physical agents or combination of such agents used or intended to be used in a work place, and the manner of use including,

- (i) the ingredients thereof and their common or generic name or names,
- (ii) the composition and the properties thereof,
- (iii) the toxicological effect thereof,
- (iv) the effect of exposure thereto whether by contact, inhalation or ingestion,
- (v) the protective measures used or to be used in respect thereof,
- (vi) the emergency measures used or to be used to deal with exposure in respect thereof, and
- (vii) the effect of the use, transport and disposal thereof. *New.*

Entry to  
dwellings

(2) An inspector shall only enter a work place or that part of a work place actually being used as a dwelling with the consent of the occupier or under the authority of a search warrant issued under section 16 of *The Summary Convictions Act*. 1971, c. 43, s. 8 (4); 1973, c. 47, s. 6 (4).

R.S.O. 1970,  
c. 450

Representative to  
accompany  
inspector

(3) Where an inspector makes an inspection of a work place under the powers conferred upon him under subsection 1, the constructor, employer or group of employers shall allow a health and safety representative, if any, or a worker selected by a trade union or trade unions, if any, because of his knowledge, experience and training, to represent it or them and, where there is no trade union, a worker selected by the workers because of his knowledge, training

and experience to represent them, the opportunity to accompany the inspector during his physical inspection of a work place, or any part or parts thereof.

(4) Where there is no health and safety representative or worker selected under subsection 3, the inspector shall endeavour to consult during his physical inspection with a reasonable number of the workers concerning matters of health and safety at their work. Consultation with workers

(5) The time spent by a health and safety representative or a worker selected in accordance with subsection 3 in accompanying an inspector during his physical inspection, shall be deemed to be work time for which he shall be paid by his employer at his regular or premium rate as may be proper. 1976, c. 79, s. 6 (1-3), *amended*. Entitlement to time from work

**27.**—(1) Where an inspector finds that a provision of this Act or the regulations is being contravened, he may order, orally or in writing, the owner, constructor, employer, or person whom he believes to be in charge of a work place or the person whom he believes to be the contravener to comply with the provision and may require the order to be carried out forthwith or within such period of time as the inspector specifies. R.S.O. 1970, c. 274, s. 618 (1), (c); 1971, c. 43, s. 10 (1); 1973, c. 47, s. 11 (1), *amended*. Orders by inspectors where non-compliance

(2) Where an inspector makes an oral order under subsection 1, he shall confirm the order in writing before leaving the work place. 1971, c. 43, s. 10 (2), *amended*. Idem

(3) An order made under subsection 1 shall indicate generally the nature of the contravention and where appropriate the location of the contravention. 1973, c. 47, s. 11.(2), *amended*. Contents of order

(4) Where an inspector makes an order under subsection 1 and finds that the contravention of this Act or the regulations is a danger or hazard to the health or safety of a worker he may, Orders by inspector where worker endangered

(a) order that any place, equipment, machine, device, article or thing or any process or material shall not be used until the order is complied with;

(b) order that work at the work place as indicated in the order shall stop until the order is complied with, or until the order to stop work is withdrawn or cancelled by an inspector;

- (c) order that the work place where the contravention exists be cleared of workers and isolated by barricades, fencing or any other means suitable to prevent access thereto by a worker until the danger or hazard to the health or safety of a worker is removed. 1971, c. 43, s. 10 (3), *amended*; 1973, c. 47, s. 11 (3, 4), *amended*.

Posting of  
notice

(5) Where an inspector makes an order under this section, he may affix to the work place, or to any equipment, machine, device, article or thing, a copy thereof or a notice in the prescribed form and no person, except an inspector, shall remove such copy or notice unless authorized to do so by an inspector. 1971, c. 43, s. 10 (4); 1973, c. 47, s. 11 (6), *amended*.

Idem

(6) Where an inspector makes an order in writing or issues a report of his inspection to an owner, constructor, employer or person in charge of the work place, the owner, constructor, employer or person in charge of the work place shall forthwith cause a copy or copies thereof to be posted in a conspicuous place or places at the work place where it is most likely to come to the attention of the workers and shall furnish a copy of such order or report to the health and safety representative and the committee, if any, and the inspector shall cause a copy thereof to be furnished to a person who has complained of a contravention of this Act or the regulations. 1976, c. 79, s. 7, *amended*.

No hearing  
required  
prior to  
making  
order

(7) An inspector is not required to hold or afford to an owner, constructor, employer or any other person an opportunity for a hearing before making an order. *New*.

Entry into  
barricaded  
area

**28.** Where an order is made under clause *c* of subsection 4 of section 27, no owner, constructor, employer or supervisor shall require or permit a worker to enter the work place except for the purpose of doing work that is necessary or required to remove the danger or hazard and only where the worker is protected from the danger or hazard. 1973, c. 47, s. 11 (4), *part*.

Injunction  
proceed-  
ings

**29.** In addition to any other remedy or penalty thereof, where an order made under subsection 4 of section 27 is contravened, such contravention may be restrained upon an *ex parte* application to the Supreme Court made at the instance of a Director. 1973, c. 47, s. 13 (2), *amended*.

Appeals  
from order  
of an  
inspector

**30.—(1)** Any employer, constructor, owner, worker or trade union which considers himself or itself aggrieved by

any order made by an inspector under this Act or the regulations may, within fourteen days of the making thereof, appeal to a Director who shall hear and dispose of the appeal as promptly as is practicable.

(2) An appeal to a Director may be made in writing <sup>Method</sup> or orally or by telephone, but the Director may require the grounds for appeal to be specified in writing before the appeal is heard.

(3) The appellant, the inspector from whom the appeal <sup>Parties</sup> is taken and such other persons as a Director may specify are parties to an appeal under this section.

(4) On an appeal under this section, a Director may substitute his findings for those of the inspector who made the order appealed from and may rescind or affirm the order or make a new order in substitution therefor, and for such purpose has all the powers of an inspector and the order of the Director shall stand in the place of and have the like effect under this Act and the regulations as the order of the inspector. <sup>Powers of a Director</sup>

(5) In this section, an order of an inspector under this Act or the regulations includes any order or decision made or given or the imposition of any terms or conditions therein by an inspector under the authority of this Act or the regulations or the refusal to make an order or decision by an inspector. <sup>Order, extended meaning</sup>

(6) A decision of the Director under this section is final. <sup>Decision of Director final</sup> 1971, c. 43, s. 11; 1973, c. 47, s. 12, *amended*.

(7) On an appeal under subsection 1, a Director may suspend the operation of the order appealed from pending the disposition of the appeal. <sup>Suspension of order by Director pending disposition of appeal</sup>

(8) This section does not apply to the order of a Director made under section 20. *New.* <sup>Application</sup>

**31.**—(1) No person shall hinder, obstruct, molest or interfere with or attempt to hinder, obstruct, molest or interfere with an inspector in the exercise of a power or the performance of a duty under this Act or the regulations. <sup>Obstruction of inspector</sup>

(2) Every person shall furnish all necessary means in his power to facilitate any entry, inspection, examination, testing or inquiry by an inspector in the exercise of his powers or performance of his duties under this Act or the regulations. <sup>Assistance to inspector</sup>



False  
informa-  
tion, etc.

(3) No person shall knowingly furnish an inspector with false information or neglect or refuse to furnish information required by an inspector in the exercise of his duties under this Act or the regulations. 1971, c. 43, s. 9; 1973, c. 47, s. 7, *amended*.

Monitoring  
devices

(4) No person shall interfere with any monitoring equipment or device in a work place.

Obstruc-  
tion of  
committee,  
etc.

(5) No person shall knowingly,

- (a) hinder or interfere with a committee, a committee member or a health and safety representative in the exercise of a power or performance of a duty under this Act;
- (b) furnish a committee, a committee member or a health and safety representative with false information in the exercise of a power or performance of a duty under this Act; or
- (c) hinder or interfere with a worker selected by a trade union or trade unions or a worker selected by the workers to represent them in the exercise of a power or performance of a duty under this Act. *New*.

Informa-  
tion  
confidential

**32.**—(1) Except for the purposes of this Act and the regulations or as required by law,

- (a) an inspector, a person accompanying an inspector or a person who, at the request of an inspector, makes an examination, test or inquiry, shall not publish, disclose or communicate to any person any information, material, statement, report or result of any examination, test or inquiry acquired, furnished, obtained, made or received under the powers conferred under this Act or the regulations; 1971, c. 43, s. 13 (1); 1973, c. 47, s. 8 (1), *amended*.
- (b) a committee member shall not publish, disclose or communicate to any person any secret manufacturing process or trade secret acquired, furnished, obtained, made or received under the provisions of this Act or the regulations; *New*.
- (c) no person to whom information is communicated under this Act and the regulations shall divulge the name of the informant to any person; and 1971, c. 43, s. 13 (5); 1973, c. 47, s. 8 (5), *amended*.

- (d) no person shall disclose any information obtained in any medical examination, test or x-ray of a worker made or taken under this Act except in a form calculated to prevent the information from being identified with a particular person or case.  
*New.*

(2) An inspector or a person who, at the request of an inspector, accompanies an inspector, or a person who makes an examination, test, inquiry or takes samples at the request of an inspector is not a compellable witness in a civil suit or any proceeding respecting any information, material, statement or test acquired, furnished, obtained, made or received under this Act or the regulations. 1971, c. 43, s. 13 (3); 1973, c. 47, s. 8 (3), *amended*.

Compellability,  
civil suit

(3) A Director may communicate or allow to be communicated or disclosed information, material, statements or the result of a test acquired, furnished, obtained, made or received under this Act or the regulations. 1971, c. 43, s. 13 (4); 1973, c. 47, s. 8 (4), *amended*.

Power of  
Director  
to disclose

**33.** A Director may, upon receipt of a request in writing from the owner of a work place who has entered into an agreement to sell the same and upon payment of the fee or fees prescribed, furnish to the owner or a person designated by him copies of reports or orders of an inspector made under this Act in respect of the work place as to its compliance with subsection 1 of section 18. 1971, c. 43, s. 14, *amended*.

Copies of  
reports

**34.—(1)** No action or other proceeding for damages, prohibition, or mandamus lies or shall be instituted against a Director, an inspector, an engineer, a health and safety representative, a committee member, a worker selected by a trade union or trade unions or a worker selected by the workers to represent them for an act or an omission done or omitted to be done by him in good faith in the execution or intended execution of any power or duty under this Act or the regulations.

Liability  
of certain  
persons

(2) Subsection 1 does not, by reason of subsections 2 and 4 of section 5 of *The Proceedings Against the Crown Act*, relieve the Crown of liability in respect of a tort committed by a Director, an inspector or an engineer to which it would otherwise be subject and the Crown is liable under that Act for any such tort in a like manner as if subsection 1 had not been enacted. 1971, c. 43, s. 16; 1973, c. 47, s. 9, *amended*.

Liability  
of Crown  
R.S.O. 1970,  
c. 365

## PART IX

## OFFENCES AND PENALTIES

## Penalties

**35.**—(1) Every person who contravenes or fails to comply with,

- (a) a provision of this Act or the regulations;
- (b) an order or requirement of an inspector or a Director; or
- (c) an order of the Minister,

is guilty of an offence and on summary conviction is liable to a fine of not more than \$25,000 or to imprisonment for a term of not more than twelve months, or to both.

## Onus of proof

(2) On a prosecution for a failure to comply with clause *g* of subsection 2 of section 14 or clause *c* of subsection 2 of section 16, it shall be for the accused to prove that every precaution reasonable in the circumstances for the protection of a worker was taken. R.S.O. 1970, c. 274, s. 625; 1971, c. 43, s. 36; 1973, c. 47, s. 26, *amended*.

## Certified copies of documents, etc., as evidence

**36.**—(1) In any proceeding or prosecution under this Act,

- (a) a copy of an order or decision purporting to have been made under this Act or the regulations and purporting to have been signed by the Minister or an inspector;
- (b) a document purporting to be a copy of a notice, drawing, record or other document, or any extract therefrom given or made under this Act or the regulations and purporting to be certified by an inspector;
- (c) a document purporting to certify the result of a test or an analysis of a sample of air and setting forth the concentration or amount of a biological, chemical or physical agent in a work place or part thereof and purporting to be certified by an inspector, or

is evidence of the order, decision, writing or document, and the facts appearing in the order, decision, writing or document without proof of the signature or official character of the person appearing to have signed the order or the certificate and without further proof. 1971, c. 43, s. 41; 1973, c. 47, s. 27, *amended*.



(2) In any proceeding or prosecution under this Act, <sup>Service of orders and decisions</sup> a copy of an order or decision purporting to have been made under this Act or the regulations and purporting to have been signed by the Minister, a Director or an inspector may be served,

- (a) personally in the case of an individual or in case of a partnership upon a partner, and in the case of a corporation, upon the president, vice-president, secretary, treasurer or a director, or upon the manager or person in charge of the work place; or
- (b) by registered letter addressed to a person or corporation mentioned in clause *a* at his or its last known place of business,

and the same shall be deemed to be good and sufficient service thereof. *New.*

**37.** An information in respect of an offence under this Act may, at the election of the informant, be heard, tried and determined by a justice of the peace or a provincial court judge of the Provincial Court (Criminal Division) having jurisdiction in the county or district in which the accused is resident or carries on business although the subject-matter of the information did not arise in that county or district. 1973, c. 47, s. 28. <sup>Place of trial</sup>

**38.** No prosecution under this Act shall be instituted more than one year after the last act or default upon which the prosecution is based occurred. 1971, c. 43, s. 37. <sup>Limitation on prosecutions</sup>

## PART X

### REGULATIONS

**39.**—(1) The Lieutenant Governor in Council may make such regulations as are advisable for the health or safety of persons in or about a work place. 1971, c. 43, s. 45 (1); 1973, c. 47, s. 31 (1), *amended*. <sup>Regulations</sup>

(2) Without limiting the generality of subsection 1, the <sup>Idem</sup> Lieutenant Governor in Council may make regulations,

- 1. defining any word or expression used in this Act or the regulations that is not defined in this Act for the purposes of the Act and the regulations;

2. designating or defining any industry, work place, employer or class of work places or employers for the purposes of this Act, a part of this Act, or the regulations or any provision thereof;
3. designating, either generally or specifically, work places, to which this Act and the regulations apply or do not apply;
4. prescribing forms and providing for their use;
5. providing for and prescribing fees and the payment or refund of fees;
6. requiring and prescribing notices that shall be posted in one or more languages;
7. prescribing the records that shall be made and kept by owners and employers;
8. requiring an owner, employer or constructor to transmit to a Director such notices, returns and reports and such information and particulars therein as are prescribed;
9. prescribing the kind of accident, explosion, fire, flood or inrush of water, failure of equipment, machine, device or thing, cave-in, subsidence, rock-burst or other incident of which notice is to be given under section 25;
10. requiring the submission of drawings, specifications, reports, details of procedures and other information as are prescribed and prescribing by whom such information shall be prepared or certified;
11. prescribing the qualifications of any person required to prepare or certify such information as may be required under a regulation made pursuant to paragraph 10;
12. regulating or prohibiting the installation or use of any machine, device or thing or any class thereof;
13. requiring that any equipment, machine, device, article or thing used bear the seal of approval of an organization designated by the regulations to test and approve the equipment, machine, device, article or thing and designating organizations for such purposes;

14. requiring and regulating equipment, materials and protective devices or clothing for workers;
15. requiring that a worker shall be a competent person;
16. prescribing measures and procedures to be carried out in a work place;
17. regulating or prohibiting the handling of, exposure to, use and disposal of any material, biological, chemical or physical agent or combination thereof or thing in a work place;
18. respecting medical examinations, tests or x-rays of workers and the reports to be made of such examinations;
19. respecting the reporting by physicians and others of workers affected by any biological, chemical or physical agents or combination thereof;
20. regulating or prohibiting atmospheric conditions, to which any worker may be exposed in a work place;
21. prescribing methods, standards or procedures for determining the amount, concentration or level of any atmospheric condition or any biological, chemical or physical agent, or combination thereof in a work place;
22. prescribing any biological, chemical or physical agent or combination thereof as a designated substance;
23. prohibiting, regulating, restricting, limiting or controlling the handling of, exposure to, or the use and disposal of a designated substance;
24. requiring the maintenance and keeping of a record or records of biological, chemical or physical agents, the use thereof, the disposal thereof, and the exposure of workers thereto;
25. requiring and regulating the establishment of an occupational health service by an employer or person in charge of a work place and the maintenance thereof in accordance with standards as prescribed;

26. respecting the provision of suitable facilities for medical treatment in cases of accident or sickness and for the supervision of the general health of employees during working hours;
27. respecting the prevention or control of fire in a work place and protection therefrom;
28. respecting the provision and maintenance of any sanitary convenience or welfare provision in a work place;
29. respecting the provision of suitable facilities in a work place for handicapped persons;
30. adopting by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any code and requiring compliance with any code that is so adopted;
31. requiring and providing for the registration of employers of workers;
32. prescribing the minimum age for a worker or person in any work place or class of work places;
33. requiring an employer or supervisor to provide a worker with written instructions as to the measures and procedures to be taken for the protection of a worker;
34. requiring a constructor to appoint a superintendent for a project as prescribed;
35. adopting by reference any criteria or guide in relation to the exposure of a worker to any biological, chemical or physical agent or combination thereof; and
36. enabling the Director by notice in writing to designate that any part of a project shall be an individual project for the purposes of this Act and the regulations and prescribing to whom notice shall be given. 1971, c. 43, s. 45 (2); 1973, c. 47, s. 31 (2), *amended*.

Repeals

**40.** The following are repealed:

1. *The Construction Safety Act, 1973*, being chapter 47.

2. *The Industrial Safety Act, 1971*, being chapter 43.
3. *The Industrial Safety Amendment Act, 1972*, being chapter 122.
4. *The Industrial Safety Amendment Act, 1974*, being chapter 104.
5. Part IX of *The Mining Act*, except,
  - i. Subsection 1 of section 176,
  - ii. Clauses *d*, *e* and *f* of subsection 2 of section 176, and
  - iii. Sections 611 and 616,
 being chapter 274 of the Revised Statutes of Ontario, 1970.
6. *The Silicosis Act*, being chapter 438 of the Revised Statutes of Ontario, 1970.
7. Section 78 of *The Civil Rights Statute Law Amendment Act, 1971*, being chapter 50.
8. *The Employees' Health and Safety Act, 1976*, being chapter 79.
9. Section 10 of *The Ministry of Labour Act*, being chapter 117 of the Revised Statutes of Ontario, 1970.

**41.** This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commence-  
ment

**42.** The short title of this Act is *The Occupational Health and Safety Act, 1977*. Short title

An Act respecting the  
Occupational Health and Occupational  
Safety of Workers

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*1st Reading*

October 18th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. B. STEPHENSON  
Minister of Labour

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*(Government Bill)*



**BILL 71**

**Private Member's Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to relieve Persons from Liability in respect of  
voluntary Emergency Medical and First Aid Services**

MR. HAGGERTY



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The purpose of this Bill is to relieve persons from liability in respect of voluntary emergency first aid assistance or medical services rendered at or near the scene of an accident or other sudden emergency.

BILL 71

1977

**An Act to relieve Persons from  
Liability in respect of voluntary  
Emergency Medical and First Aid Services**

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1.** In this Act,

Interpre-  
tation

(a) "physician" means a legally qualified medical practitioner;

(b) "registered nurse" has the same meaning as defined in section 69 of *The Health Disciplines Act, 1974*. 1974, c. 47

**2.** Where, in respect of a person who is ill, injured or unconscious as the result of an accident or other sudden emergency,

Relief  
from  
liability  
for  
damages

(a) a physician or registered nurse voluntarily and without expectation of compensation or reward renders emergency medical services or first aid assistance and such services or assistance are not rendered at a hospital or other place having adequate medical facilities and equipment; or

(b) a person other than a person mentioned in clause *a* voluntarily renders emergency first aid assistance and such assistance is rendered at the immediate scene of the accident or emergency,

the physician, registered nurse or other person shall not be liable for damages for injuries to or the death of such person alleged to have been caused by an act or omission on his part in rendering the medical services or first aid assistance, unless such acts constitute wilful or wanton misconduct on his part.

Act does  
not apply  
to normal  
medical  
services

**3.** Nothing in section 2 shall be deemed to relieve a physician from liability for damages for injuries to or the death of any person caused by an act or omission on the part of the physician in respect of medical services rendered by him in the normal and ordinary course of his practice and not under the circumstances set forth in section 2.

Commence-  
ment

**4.** This Act comes into force on the day it receives Royal Assent.

Short title

**5.** The short title of this Act is *The Good Samaritan Act, 1977*.









An Act to relieve Persons from Liability  
in respect of voluntary Emergency Medical  
and First Aid Services

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*1st Reading*

October 18th, 1977

*2nd Reading*

*3rd Reading*

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MR. HAGGERTY

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*(Private Member's Bill)*

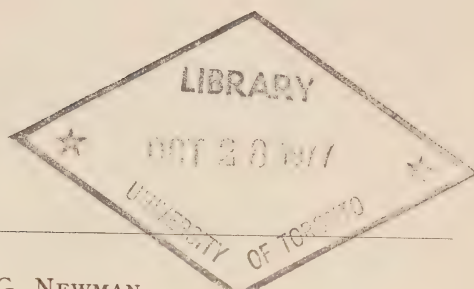
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**BILL 72**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to preserve Topsoil in Ontario**



THE HON. W. G. NEWMAN  
Minister of Agriculture and Food

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The purpose of this Bill is to provide councils of municipalities with the power to preserve and protect topsoil within the municipality.

BILL 72

1977

## An Act to preserve Topsoil in Ontario

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1.** In this Act,

Interpre-  
tation

- (a) "lot" means a parcel of land, described in a deed or other document legally capable of conveying land, or shown as a lot or block on a registered plan of subdivision;
- (b) "topsoil" means that horizon in a soil profile, known as the "A" horizon, containing organic material.

**2.—**(1) Subject to subsections 2 and 3, by-laws may be passed by the councils of municipalities,

By-laws  
regulating  
or  
prohibiting  
removal of  
topsoil

- (a) regulating or prohibiting the removal of topsoil in the municipality or in any area or areas thereof defined in the by-law;
- (b) providing for the issuing and renewing of permits for the removal of topsoil;
- (c) providing for the refusal to issue, refusal to renew and revocation of permits on such grounds as are prescribed in the by-law;
- (d) prohibiting any person from removing topsoil within the area or areas to which the by-law applies without a permit therefor;
- (e) requiring the rehabilitation of lands from which the topsoil has been removed;
- (f) prescribing standards of rehabilitation to be met for the purposes of clause e;

- (g) prescribing rehabilitation procedures to be followed for the purposes of clause *e*; and
- (h) exempting any land or any person or class of persons from any or all of the provisions of a by-law passed pursuant to this subsection.

Application

(2) A by-law passed under subsection 1 does not apply to,

1975, c. 79  
1971, c. 37

- (a) the removal of topsoil as an incidental part of a normal agricultural practice including such removal as an incidental part of sod-farming, greenhouse operations and nurseries for horticultural products;
- (b) the removal of topsoil as an incidental part of drain construction under *The Drainage Act, 1975* or *The Tile Drainage Act, 1971*;

1971, c. 96

- (c) the removal of topsoil as an incidental part of operations authorized under *The Pits and Quarries Control Act, 1971*;

R.S.O. 1970.  
c. 274

- (d) the removal of topsoil as an incidental part of operations authorized under *The Mining Act*;
- (e) the removal of topsoil by a Crown agency or Ontario Hydro;

R.S.O. 1970.  
c. 312

- (f) in the case of a by-law passed by a local municipality, the removal of topsoil by a county or regional municipality;
- (g) the removal of topsoil as an incidental part of any construction for which leave to construct has been granted pursuant to *The Ontario Energy Board Act*;
- (h) the removal of topsoil as an incidental part of the construction of any form of underground services where the topsoil is removed and held for subsequent replacement;
- (i) the removal of topsoil where the quantity of topsoil removed in any one lot does not, in any consecutive three-month period, exceed five cubic metres; and
- (j) the removal of topsoil as an incidental part of the construction of a public highway.

Idem

(3) A by-law passed under subsection 1 does not apply to the extent that,



(a) it is inconsistent with the terms of any approval or agreement under *The Planning Act*; or R.S.O. 1970,  
c. 349

(b) it would prevent the construction of any building, structure, driveway, loading or parking facilities permitted or required on a lot pursuant to,

(i) a by-law passed by a municipality pursuant to section 35 of *The Planning Act*,

(ii) an order made by the Minister of Housing pursuant to section 32 of *The Planning Act*,

(iii) a land use regulation made by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs pursuant to section 6 of *The Parkway Belt Planning and Development Act, 1973*, or 1973, c. 53

(iv) a development permit issued by the Minister of Housing pursuant to *The Niagara Escarpment Planning and Development Act* or an exemption granted pursuant to clause c of section 22a of the said Act. 1973, c. 52

**3.** Part XXI of *The Municipal Act* applies *mutatis mutandis* to by-laws passed under this Act. Enforcement  
R.S.O. 1970,  
c. 284

**4.** This Act comes into force on the day it receives Royal Assent. Commence-  
ment

**5.** The short title of this Act is *The Topsoil Preservation Act, 1977*. Short title







BILL 72

1977

## An Act to preserve Topsoil in Ontario

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1.** In this Act,

Interpre-  
tation

- (a) "lot" means a parcel of land, described in a deed or other document legally capable of conveying land, or shown as a lot or block on a registered plan of subdivision;
- (b) "topsoil" means that horizon in a soil profile, known as the "A" horizon, containing organic material.

**2.—**(1) Subject to subsections 2 and 3, by-laws may be passed by the councils of municipalities,

By-laws  
regulating  
or  
prohibiting  
removal of  
topsoil

- (a) regulating or prohibiting the removal of topsoil in the municipality or in any area or areas thereof defined in the by-law;
- (b) providing for the issuing and renewing of permits for the removal of topsoil;
- (c) providing for the refusal to issue, refusal to renew and revocation of permits on such grounds as are prescribed in the by-law;
- (d) prohibiting any person from removing topsoil within the area or areas to which the by-law applies without a permit therefor;
- (e) requiring the rehabilitation of lands from which the topsoil has been removed;
- (f) prescribing standards of rehabilitation to be met for the purposes of clause e;

- (g) prescribing rehabilitation procedures to be followed for the purposes of clause *e*; and
- (h) exempting any land or any person or class of persons from any or all of the provisions of a by-law passed pursuant to this subsection.

## Application

(2) A by-law passed under subsection 1 does not apply to,

- (a) the removal of topsoil as an incidental part of a normal agricultural practice including such removal as an incidental part of sod-farming, greenhouse operations and nurseries for horticultural products;
- (b) the removal of topsoil as an incidental part of drain construction under *The Drainage Act, 1975* or *The Tile Drainage Act, 1971*;
- (c) the removal of topsoil as an incidental part of operations authorized under *The Pits and Quarries Control Act, 1971*;
- (d) the removal of topsoil as an incidental part of operations authorized under *The Mining Act*;
- (e) the removal of topsoil by a Crown agency or Ontario Hydro;
- (f) in the case of a by-law passed by a local municipality, the removal of topsoil by a county or regional municipality;
- (g) the removal of topsoil as an incidental part of any construction for which leave to construct has been granted pursuant to *The Ontario Energy Board Act*;
- (h) the removal of topsoil as an incidental part of the construction of any form of underground services where the topsoil is removed and held for subsequent replacement;
- (i) the removal of topsoil where the quantity of topsoil removed in any one lot does not, in any consecutive three-month period, exceed five cubic metres; and
- (j) the removal of topsoil as an incidental part of the construction of a public highway.

1975, c. 79  
1971, c. 37

1971, c. 96

R.S.O. 1970,  
c. 274

R.S.O. 1970,  
c. 312

## Idem

(3) A by-law passed under subsection 1 does not apply to the extent that,



- (a) it is inconsistent with the terms of any approval or agreement under *The Planning Act*; or R.S.O. 1970,  
c. 349
- (b) it would prevent the construction of any building, structure, driveway, loading or parking facilities permitted or required on a lot pursuant to,
- (i) a by-law passed by a municipality pursuant to section 35 of *The Planning Act*,
  - (ii) an order made by the Minister of Housing pursuant to section 32 of *The Planning Act*,
  - (iii) a land use regulation made by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs pursuant to section 6 of *The Parkway Belt Planning and Development Act, 1973*, or 1973, c. 53
  - (iv) a development permit issued by the Minister of Housing pursuant to *The Niagara Escarpment Planning and Development Act* or an exemption granted pursuant to clause *c* of section 22*a* of the said Act. 1973, c. 52

**3.** Part XXI of *The Municipal Act* applies *mutatis mutandis* to by-laws passed under this Act. Enforcement  
R.S.O. 1970,  
c. 284

**4.** This Act comes into force on the day it receives Royal Assent. Commence-  
ment

**5.** The short title of this Act is *The Topsoil Preservation Act, 1977*. Short title





An Act to preserve  
Topsoil in Ontario

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*1st Reading*

October 20th, 1977

*2nd Reading*

November 8th, 1977

*3rd Reading*

November 8th, 1977

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THE HON. W. G. NEWMAN  
Minister of Agriculture and Food

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**BILL 73**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Ontario Guaranteed Annual Income Act, 1974**

THE HON. MARGARET SCRIVENER  
Minister of Revenue



## EXPLANATORY NOTES

### GENERAL

The amendments proposed in this Bill provide for the payment of a monthly benefit to those who, by reason of amendments to the *Old Age Security Act* (Canada) that took effect July 1, 1977, may become entitled to a monthly guaranteed income supplement under that Act and to a partial monthly pension if they have resided in Canada for less than forty years but for at least ten years.

The amount of the monthly benefit will be equivalent to the monthly increment that would be payable to such persons were they entitled to receive a full monthly pension under the federal Act. The monthly benefit is payable to those who are not eligible for an increment under the Act and who are over age sixty-five, are in receipt of a monthly supplement and a partial monthly pension under the *Old Age Security Act* (Canada), and who meet residency criteria modeled on those provided for in the *Old Age Security Act* (Canada).

The residency criteria are that an applicant must have resided in Ontario for one full year prior to his application for a monthly benefit, and must establish that he has, at the time his application is approved, resided in Canada after attaining eighteen years of age for at least 10 years and for not more than forty years. In lieu of the full year's residence in Ontario prior to the approval of an application, an applicant may establish that, after attaining eighteen years of age, he has resided in Ontario for an aggregate period of at least twenty years.

Other amendments are proposed in the Bill to reflect recent changes in the provisions of the *Old Age Security Act* (Canada), to add provisions to enable the Minister to investigate more fully the claims of an applicant for benefits under the Act, and to clarify the presentation of a number of formulae for calculating income contained in the Act.

SECTION 1.—Subsection 1. The sub-subclause re-enacted by the amendment will set out more clearly the calculation of "basic monthly income" for the class of cases covered by subclause vi. The change corrects an unintended interpretation that might otherwise arise in the application of the formula.

**An Act to amend  
The Ontario Guaranteed Annual Income Act, 1974**

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Sub-subclause C of subclause vi of clause *d* of section 1 of *The Ontario Guaranteed Annual Income Act, 1974*, being chapter 58, as re-enacted by the Statutes of Ontario, 1976, chapter 33, section 1, is repealed and the following substituted therefor:

(C) where the aggregate of the incomes for the base calendar year of the beneficiary and his spouse is equal to or greater than the sum of the amounts described in paragraph 1, 2 or 3 of sub-subclause B,

an amount equal to the sum of,

1. the amount equal to one-thirty-sixth of the result obtained by subtracting from the amount of the aggregate of the incomes for the base calendar year of the beneficiary and his spouse the sum of the amounts described in paragraphs 1 and 2 of sub-subclause B and \$12.00,
2. the amount of the pension that is authorized to be paid in the month under the *Old Age Security Act* <sup>R.S.C. 1970, c. O-6</sup> (Canada), and
3. the maximum amount of the supplement that is authorized to be paid in the month under the *Old Age Security Act* (Canada) to an unmarried person.



s. 1 (g),  
amended

- (2) Clause *g* of the said section 1 is amended by striking out "a payment similar to a supplement or a pension" in the second and third lines and inserting in lieu thereof "a spouse's allowance, a payment similar to a supplement, pension or spouse's allowance".

s. 1 (k) (ii),  
re-enacted

- (3) Subclause ii of clause *k* of the said section 1, as amended by the Statutes of Ontario, 1976, chapter 33, section 1, is repealed and the following substituted therefor:

- (ii) the amount of any pension, supplement, spouse's allowance, or allowance under the *Family Allowances Act, 1973* (Canada), and the amount of any similar payments made under a law of a province of Canada.

1973,  
c. 211 (Can.)

s. 1 (k) (iv),  
re-enacted

- (4) Subclause iv of clause *k* of the said section 1, as enacted by the Statutes of Ontario, 1976, chapter 33, section 1, is repealed and the following substituted therefor:

- (iv) any amount required by paragraph *b* of subsection 1 of section 82 of the *Income Tax Act* (Canada) to be included in income, or any amount prescribed for the purpose of this subclause,

1970-71,  
c. 63 (Can.)

s. 1,  
amended

- (5) The said section 1 is amended by adding thereto the following clauses:

- (sa) "spouse" in relation to a beneficiary includes a person of the opposite sex who has lived with the beneficiary for three or more years where there is a bar to their marriage or for at least one year where there is no such bar and the beneficiary and that person have publicly represented themselves as man and wife;

R.S.C. 1970,  
c. O-6

- (sb) "spouse's allowance" means a monthly payment authorized to be paid under Part II.1 of the *Old Age Security Act* (Canada).

s. 1a,  
enacted

2. The said Act is amended by adding thereto the following section:

Eligibility  
for  
monthly  
benefit

- 1a.—(1) Subject to this Act and the regulations, a monthly benefit may be paid for any month after the month of June, 1977 to every person who is not eligible on the 30th day of June, 1977 to be paid an increment and who,

Subsection 2. The amendment adds a reference to "spouse's allowance" to reflect changes in the *Old Age Security Act* (Canada).

Subsection 3. The amendment adds a reference to a "spouse's allowance" and to an allowance under the *Family Allowances Act, 1973* (Canada) to ensure that receipt of these payments by a beneficiary under the Act will not be taken into account in determining his income and the amount of the benefits payable to him under the Act.

Subsection 4. The amendment clarifies that the "gross-up" of dividends required by the *Income Tax Act* (Canada) to be included in taxable income will not affect the beneficiary's income for the purpose of determining the amount of the increment to which he is entitled under *The Ontario Guaranteed Annual Income Act, 1974*.

Subsection 5. The amendment adds definitions of "spouse" and "spouse's allowance" to correspond with those contained in the *Old Age Security Act* (Canada).

SECTION 2. The amendment adds section 1a to the Act to provide for the payment of monthly benefits to Ontario residents over sixty-five years of age who are not entitled to an increment under the Act (because of a residence of less than forty years in Canada), and who are entitled to receive a supplement and a partial monthly pension under the *Old Age Security Act* (Canada). In addition, an applicant must have resided in Ontario for either one full year before the approval of his application or for an aggregate period of twenty years after attaining eighteen years of age and prior to the approval of his application, and he must have resided in Canada for at least ten years and for not more than forty years after attaining eighteen years of age.

Subsection 3 of the new section 1*a* sets out the method of calculating the amount of a monthly benefit. The monthly benefit is equal to the amount of the increment paid to other beneficiaries under the Act who receive a supplement under the *Old Age Security Act* (Canada), but the amount of the monthly benefit is reduced to reflect the size of a recipient's private income other than amounts received under this Act and the *Old Age Security Act* (Canada). The reduction of the monthly benefit corresponds to the reduction of the monthly guaranteed income supplement paid under the *Old Age Security Act* (Canada). That supplement is reduced by \$1.00 a month for every \$24.00 of a person's annual private income. Thus, those who receive a partial monthly pension under the federal Act and a full monthly guaranteed income supplement under that Act will be entitled to the full amount of the monthly benefit under the provincial Act, while those whose private income is sufficient to reduce the supplement payable to them under the federal Act will also have the monthly benefit under the provincial Act reduced.

- (a) has attained sixty-five years of age or such lesser age as may be prescribed;
- (b) is actually resident in Ontario and is entitled to receive a partial monthly pension authorized to be paid under subsection 1.1 of section 3 of the *Old Age Security Act* (Canada) and to receive a supplement that is paid to him or to his credit through the Ontario regional office of the Income Security Branch of the Department of National Health and Welfare of the Government of Canada; R.S.C. 1970,  
c. O-6
- (c) has resided in Canada, after attaining eighteen years of age and prior to the day on which his application is approved, for a period or periods the aggregate of which is not less than ten years and not more than forty years; and
- (d) has resided in Ontario for a period of one full year immediately prior to the date on which his application is approved or, after attaining eighteen years of age and prior to the date on which his application is approved, has resided in Ontario for a continuous period of, or for periods the aggregate of which is, at least twenty years.

(2) A person who is not entitled to an increment under <sup>Idem</sup> this Act on or before the 30th day of June, 1977 is eligible to be paid a monthly benefit under this section only when on or after the 1st day of July, 1977, he becomes entitled to receive a supplement and if, on the day preceding the day on which his application is approved, he is a Canadian citizen residing in Ontario or, if not a Canadian citizen, is then legally resident in Canada and is residing in Ontario.

(3) "monthly benefit" means the payment authorized by subsection 1 and is an amount equal to the maximum <sup>Amount of monthly benefit</sup> increment payable for the month under this Act to a person in receipt of a supplement, minus \$1.00,

- (a) for every full \$24.00 of the income for the base calendar year of the person to whom the monthly benefit is paid, if he is unmarried;
- (b) for every full \$48.00 of the aggregate of the incomes for the base calendar year of the person and his spouse, if the person to whom the monthly benefit is paid is married to a spouse who is entitled to receive in the month a monthly benefit or an increment under this Act; or

R.S.C. 1970,  
c. O-6

- (c) for every full \$48.00 of the amount by which the aggregate of the incomes for the base calendar year of the person and his spouse exceeds the product of twelve times the maximum amount of pension that is authorized to be paid in the month under the *Old Age Security Act* (Canada) to an unmarried person, if the person to whom the monthly benefit is paid is married either to a spouse who is not entitled to receive in the month an increment, a pension, a supplement or a monthly benefit, or to a spouse who is entitled to receive in the month a spouse's allowance.

Agreements  
with  
foreign  
countries

- (4) Notwithstanding subsections 1 to 3, where the result of an international agreement concluded in accordance with section 22.2 of the *Old Age Security Act* (Canada) is that a person resident in Ontario becomes entitled to receive a supplement, the Lieutenant Governor in Council may make regulations respecting the manner in which this Act shall apply to any such case or class of cases affected by the agreement, for adapting this Act thereto, and for determining such person's or class of persons' entitlement to, and the amount of, a monthly benefit under this Act, as appears to the Lieutenant Governor in Council to be necessary and advisable.

Interpre-  
tation

- (5) In clauses *a*, *b* and *e* of section 1 and in sections 2 to 16, "increment" shall, unless the context otherwise requires, include the monthly benefit authorized to be paid by this section.

Regulations

- (6) The Lieutenant Governor in Council may make regulations respecting the meaning of legal residence for the purpose of this section.

s. 2 (2) (a),  
re-enacted

- 3.—(1) Clause *a* of subsection 2 of section 2 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 33, section 2, is repealed and the following substituted therefor:

- (a) subject to clause *d*, any month more than eleven months before the month in which the application is received.

s. 2 (6),  
amended

- (2) Subsection 6 of the said section 2 is amended by inserting after "a" where it appears the first time in the fourth line and where it appears the first time in the sixth line "full".

Subsection 4 of the new section 1*a* empowers the Lieutenant Governor in Council to make regulations to adapt the monthly benefit provisions of the Act to situations, as yet unknown, which may arise when agreements between Canada and other countries are made, as provided in section 22.2 of the *Old Age Security Act* (Canada), for the payment of old age security benefits.

Subsection 5 of the new section 1*a* makes the relevant provisions of the Act applicable to the application for, payment of and administration of the monthly benefit authorized by section 1*a* of the Act.

Subsection 6 of the new section 1*a* enables the Lieutenant Governor in Council to define "legal residence" for the purpose of section 1*a*.

SECTION 3.—Subsection 1. The amendment changes to eleven months the previous reference to twelve months, and is made to reflect changes in the *Old Age Security Act* (Canada).

Subsections 2 and 3. The addition of "full" before "pension" in the two subsections being amended reflects changes in the *Old Age Security Act* (Canada), which now provides for both a full and a partial pension.



SECTION 4. The amendment substitutes "eleven months" for the previous reference to "one year", and reflects changes in the *Old Age Security Act* (Canada).

SECTION 5. The several amendments proposed in this section will set out more clearly the calculation of income when a change of income occurs during the year. The changes correct an unintended interpretation that might otherwise arise in the application of the formulae in section 5 of the Act.



- (3) Subsection 7 of the said section 2 is amended by inserting <sup>s. 2 (7),</sup> after "a" where it appears the second time in the first <sup>amended</sup> line and after "the" in the fourth line "full".
4. Subsection 1 of section 4 of the said Act, as re-enacted by <sup>s. 4 (1),</sup> the Statutes of Ontario, 1976, chapter 33, section 3, is amended <sup>amended</sup> by striking out "one year" in the fourth line and inserting in lieu thereof "eleven months".
- 5.—(1) Subsection 2 of section 5 of the said Act is amended by <sup>s. 5 (2),</sup> striking out all that part of the said subsection following <sup>amended</sup> "plus" in the twenty-third line and inserting in lieu thereof:
- (b) any defined income received by him in that part of that calendar year that is after the month in which he ceased to hold that office or employment or ceased to carry on that business, divided by the number of months in that part of that calendar year and multiplied by twelve,
- shall be deemed to be his income for the base calendar year.
- (2) Subsection 3 of the said section 5 is amended by striking <sup>s. 5 (3),</sup> out all that part of the said subsection following <sup>amended</sup> "plus" in the twentieth line and inserting in lieu thereof:
- (b) any defined income received by him in that part of that calendar year that is after the month next before the month in which he suffered the loss, divided by the number of months in that part of that calendar year and multiplied by twelve,
- shall be deemed to be his income for the base calendar year.
- (3) Subsection 4 of the said section 5 is amended by striking <sup>s. 5 (4),</sup> out all that part of the said subsection following <sup>amended</sup> "plus" in the thirty-fifth line and inserting in lieu thereof:
- (ii) any defined income received by him in that part of that calendar year that is after the month in which he ceased to hold that office or employment or ceased to carry on that business, divided by the number of months in that part of that calendar year and multiplied by twelve,

shall be deemed to be his income for the base calendar year.

s. 5 (5),  
amended

- (4) Subsection 5 of the said section 5 is amended by striking out all that part of the said subsection following "plus" in the thirty-first line and inserting in lieu thereof:

- (ii) any defined income received by him in that part of that calendar year that is after the month next before the month in which he suffered that loss, divided by the number of months in that part of that calendar year and multiplied by twelve,

shall be deemed to be his income for the base calendar year.

s. 7 (1) (b),  
amended

6. Clause *b* of subsection 1 of section 7 of the said Act is amended by adding at the end thereof "except that no payment shall be made under this clause where the amount of such payment is less than \$5.00".

s. 8,  
amended

7. Section 8 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 33, section 4, is further amended by adding thereto the following subsection:

Administra-  
tion of oaths

(12) Any officer or employee in the Ministry of Community and Social Services who is authorized to administer oaths, take and receive affidavits, declarations and affirmations and any officer or employee in the Ministry of Revenue who is authorized by the Minister, may administer oaths, take and receive affidavits, declarations and affirmations for the purposes of or incidental to the administration or enforcement of this Act, and every person so authorized has, with respect to any such oath, affidavit, declaration or affirmation, all the powers of a commissioner for taking affidavits.

s. 14,  
re-enacted

8. Section 14 of the said Act is repealed and the following substituted therefor:

Investigation

14.—(1) Any person thereunto authorized by the Minister for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises or place where any business is carried on or any property is kept or where anything is done in connection with any business or where any books or records are kept and,

- (a) audit or examine the books and records and any account, voucher, letter, telegram or other docu-

SECTION 6. The amendment provides that, where an applicant has erroneously shown more income than he actually receives, his entitlement to any additional payment under the Act must exceed \$5.00.

Section 7. The new subsection added by the amendment provides for the taking of affidavits and declarations required for the administration of the Act.

SECTION 8. The amendment adds to the Act administrative provisions for investigating and obtaining information that are similar to those in other statutes administered by the Minister of Revenue.



ment that relates or may relate to the information that is or should be in the books or records or to the amount of an increment payable under this Act;

- (b) examine property described in any conveyance or any property, process or matter, an examination of which may, in his opinion, assist him in determining the accuracy of any application required by this Act or in ascertaining the information that is or should be in the books or records or in such application, or the amount of any increment payable under this Act;
- (c) require any person on the premises to give him all reasonable assistance with his audit or examination and to answer all questions relating to the audit or examination either orally or, if he so requires, in writing, on oath or by statutory declaration and, for that purpose, he may require such person to attend at the premises or place with him; and
- (d) if during the course of any audit or examination it appears to him that there has been a violation of this Act or the regulations made under this Act, seize and take away any of the records, books, accounts, vouchers, letters, telegrams and other documents and retain them until they are produced in any court proceedings.

(2) The Minister may, for any purpose relating to the administration or enforcement of this Act, by registered letter or by a demand served personally, require from any person any information or additional information, or the production, or production on oath, of any books, letters, accounts, invoices, statements (financial or otherwise) or other documents within such reasonable time as is stipulated therein, provided that, in the opinion of the Minister or of the person authorized by him, it is necessary to make the demand in order to determine eligibility or possible eligibility for an increment under this Act.

(3) Where a book, record or other document has been seized, examined or produced under this section, the person by whom it is seized or examined or to whom it is produced, or any officer of the Ministry of Revenue, may make or cause to be made one or more copies thereof, and a document purporting to be certified by the Minister or a person

thereunto authorized by the Minister to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have had if it had been proven in the ordinary way.

Compliance

(4) No person shall hinder or interfere with any person doing anything that he is authorized by this section to do or shall prevent or attempt to prevent any person doing any such thing, and notwithstanding any other law to the contrary, every person shall, unless he is unable to do so, do everything he is required by this section to do.

Offence

(5) Every person who has failed to comply with or has contravened this section is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of \$100 or \$25 for each day during which the default continues, whichever is the greater.

s. 15 (1) (d),  
amended

**9.** Clause *d* of subsection 1 of section 15 of the said Act is amended by striking out "or 14".

ss. 17, 18,  
repealed

**10.** Sections 17 and 18 of the said Act are repealed.

Commence-  
ment

**11.**—(1) This Act, except sections 1 to 7, 9 and 10, comes into force on the day it receives Royal Assent.

Idem

(2) Sections 1 to 7, and 9 and 10 shall be deemed to have come into force on the 1st day of July, 1977.

Short title

**12.** The short title of this Act is *The Ontario Guaranteed Annual Income Amendment Act, 1977*.

SECTION 9. The amendment is consequential on the amendment proposed in section 8 of the Bill.

SECTION 10. The sections repealed were required only during the initial months of the Act.







An Act to amend  
The Ontario Guaranteed Annual  
Income Act, 1974

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*1st Reading*

October 20th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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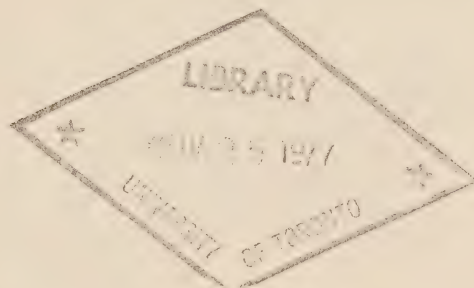
*(Government Bill)*

**BILL 73**

5724m  
XB  
B. 516  
1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Ontario Guaranteed Annual Income Act, 1974**

THE HON. MARGARET SCRIVENER  
Minister of Revenue



TORONTO

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**An Act to amend  
The Ontario Guaranteed Annual Income Act, 1974**

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Sub-subclause C of subclause vi of clause *d* of section 1 of *The Ontario Guaranteed Annual Income Act, 1974*, being chapter 58, as re-enacted by the Statutes of Ontario, 1976, chapter 33, section 1, is repealed and the following substituted therefor:

s. 1 (d) (vi) (C).  
re-enacted

- (C) where the aggregate of the incomes for the base calendar year of the beneficiary and his spouse is equal to or greater than the sum of the amounts described in paragraph 1, 2 or 3 of sub-subclause B,

an amount equal to the sum of,

1. the amount equal to one-thirty-sixth of the result obtained by subtracting from the amount of the aggregate of the incomes for the base calendar year of the beneficiary and his spouse the sum of the amounts described in paragraphs 1 and 2 of sub-subclause B and \$12.00,
2. the amount of the pension that is authorized to be paid in the month under the *Old Age Security Act* <sup>R.S.C. 1970, c. O-6</sup> (Canada), and
3. the maximum amount of the supplement that is authorized to be paid in the month under the *Old Age Security Act* (Canada) to an unmarried person.

s. 1 (*g*),  
amended

- (2) Clause *g* of the said section 1 is amended by striking out “a payment similar to a supplement or a pension” in the second and third lines and inserting in lieu thereof “a spouse’s allowance, a payment similar to a supplement, pension or spouse’s allowance”.

s. 1 (*k*) (ii),  
re-enacted

- (3) Subclause ii of clause *k* of the said section 1, as amended by the Statutes of Ontario, 1976, chapter 33, section 1, is repealed and the following substituted therefor:

(ii) the amount of any pension, supplement, spouse’s allowance, or allowance under the *Family Allowances Act, 1973* (Canada), and the amount of any similar payments made under a law of a province of Canada.

1973,  
c. 211 (Can.)

s. 1 (*k*) (iv),  
re-enacted

- (4) Subclause iv of clause *k* of the said section 1, as enacted by the Statutes of Ontario, 1976, chapter 33, section 1, is repealed and the following substituted therefor:

(iv) any amount required by paragraph *b* of subsection 1 of section 82 of the *Income Tax Act* (Canada) to be included in income, or any amount prescribed for the purpose of this subclause,

1970-71,  
c. 63 (Can.)

s. 1,  
amended

- (5) The said section 1 is amended by adding thereto the following clauses:

(*sa*) “spouse” in relation to a beneficiary includes a person of the opposite sex who has lived with the beneficiary for three or more years where there is a bar to their marriage or for at least one year where there is no such bar and the beneficiary and that person have publicly represented themselves as man and wife;

R.S.C. 1970,  
c. O-6

(*sb*) “spouse’s allowance” means a monthly payment authorized to be paid under Part II.1 of the *Old Age Security Act* (Canada).

s. 1*a*,  
enacted

2. The said Act is amended by adding thereto the following section:

Eligibility  
for  
monthly  
benefit

1*a*.—(1) Subject to this Act and the regulations, a monthly benefit may be paid for any month after the month of June, 1977 to every person who is not eligible on the 30th day of June, 1977 to be paid an increment and who,



- (a) has attained sixty-five years of age or such lesser age as may be prescribed;
- (b) is actually resident in Ontario and is entitled to receive a partial monthly pension authorized to be paid under subsection 1.1 of section 3 of the *Old Age Security Act* (Canada) and to receive a supplement that is paid to him or to his credit through the Ontario regional office of the Income Security Branch of the Department of National Health and Welfare of the Government of Canada; R.S.C. 1970,  
c. O-6
- (c) has resided in Canada, after attaining eighteen years of age and prior to the day on which his application is approved, for a period or periods the aggregate of which is not less than ten years and not more than forty years; and
- (d) has resided in Ontario for a period of one full year immediately prior to the date on which his application is approved or, after attaining eighteen years of age and prior to the date on which his application is approved, has resided in Ontario for a continuous period of, or for periods the aggregate of which is, at least twenty years.

(2) A person who is not entitled to an increment under this Act on or before the 30th day of June, 1977 is eligible to be paid a monthly benefit under this section only when on or after the 1st day of July, 1977, he becomes entitled to receive a supplement and if, on the day preceding the day on which his application is approved, he is a Canadian citizen residing in Ontario or, if not a Canadian citizen, is then legally resident in Canada and is residing in Ontario. Idem

(3) "monthly benefit" means the payment authorized by subsection 1 and is an amount equal to the maximum increment payable for the month under this Act to a person in receipt of a supplement, minus \$1.00, Amount of  
monthly  
benefit

- (a) for every full \$24.00 of the income for the base calendar year of the person to whom the monthly benefit is paid, if he is unmarried;
- (b) for every full \$48.00 of the aggregate of the incomes for the base calendar year of the person and his spouse, if the person to whom the monthly benefit is paid is married to a spouse who is entitled to receive in the month a monthly benefit or an increment under this Act; or

R.S.C. 1970,  
c. O-6

- (c) for every full \$48.00 of the amount by which the aggregate of the incomes for the base calendar year of the person and his spouse exceeds the product of twelve times the maximum amount of pension that is authorized to be paid in the month under the *Old Age Security Act* (Canada) to an unmarried person, if the person to whom the monthly benefit is paid is married either to a spouse who is not entitled to receive in the month an increment, a pension, a supplement or a monthly benefit, or to a spouse who is entitled to receive in the month a spouse's allowance.

Agreements  
with  
foreign  
countries

- (4) Notwithstanding subsections 1 to 3, where the result of an international agreement concluded in accordance with section 22.2 of the *Old Age Security Act* (Canada) is that a person resident in Ontario becomes entitled to receive a supplement, the Lieutenant Governor in Council may make regulations respecting the manner in which this Act shall apply to any such case or class of cases affected by the agreement, for adapting this Act thereto, and for determining such person's or class of persons' entitlement to, and the amount of, a monthly benefit under this Act, as appears to the Lieutenant Governor in Council to be necessary and advisable.

Interpre-  
tation

- (5) In clauses *a*, *b* and *e* of section 1 and in sections 2 to 16, "increment" shall, unless the context otherwise requires, include the monthly benefit authorized to be paid by this section.

Regulations

- (6) The Lieutenant Governor in Council may make regulations respecting the meaning of legal residence for the purpose of this section.

s. 2 (2) (a),  
re-enacted

- 3.—(1) Clause *a* of subsection 2 of section 2 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 33, section 2, is repealed and the following substituted therefor:

- (a) subject to clause *d*, any month more than eleven months before the month in which the application is received.

s. 2 (6),  
amended

- (2) Subsection 6 of the said section 2 is amended by inserting after "a" where it appears the first time in the fourth line and where it appears the first time in the sixth line "full".

- (3) Subsection 7 of the said section 2 is amended by inserting <sup>s. 2 (7),  
amended</sup> after “a” where it appears the second time in the first line and after “the” in the fourth line “full”.

4. Subsection 1 of section 4 of the said Act, as re-enacted by <sup>s. 4 (1),  
amended</sup> the Statutes of Ontario, 1976, chapter 33, section 3, is amended by striking out “one year” in the fourth line and inserting in lieu thereof “eleven months”.

- 5.—(1) Subsection 2 of section 5 of the said Act is amended by <sup>s. 5 (2),  
amended</sup> striking out all that part of the said subsection following “plus” in the twenty-third line and inserting in lieu thereof:

- (b) any defined income received by him in that part of that calendar year that is after the month in which he ceased to hold that office or employment or ceased to carry on that business, divided by the number of months in that part of that calendar year and multiplied by twelve,

shall be deemed to be his income for the base calendar year.

- (2) Subsection 3 of the said section 5 is amended by striking <sup>s. 5 (3),  
amended</sup> out all that part of the said subsection following “plus” in the twentieth line and inserting in lieu thereof:

- (b) any defined income received by him in that part of that calendar year that is after the month next before the month in which he suffered the loss, divided by the number of months in that part of that calendar year and multiplied by twelve,

shall be deemed to be his income for the base calendar year.

- (3) Subsection 4 of the said section 5 is amended by striking <sup>s. 5 (4),  
amended</sup> out all that part of the said subsection following “plus” in the thirty-fifth line and inserting in lieu thereof:

- (ii) any defined income received by him in that part of that calendar year that is after the month in which he ceased to hold that office or employment or ceased to carry on that business, divided by the number of months in that part of that calendar year and multiplied by twelve,

shall be deemed to be his income for the base calendar year.

s. 5 (5),  
amended

- (4) Subsection 5 of the said section 5 is amended by striking out all that part of the said subsection following "plus" in the thirty-first line and inserting in lieu thereof:

- (ii) any defined income received by him in that part of that calendar year that is after the month next before the month in which he suffered that loss, divided by the number of months in that part of that calendar year and multiplied by twelve,

shall be deemed to be his income for the base calendar year.

s. 7 (1) (b),  
amended

6. Clause *b* of subsection 1 of section 7 of the said Act is amended by adding at the end thereof "except that no payment shall be made under this clause where the amount of such payment is less than \$5.00".

s. 8.  
amended

7. Section 8 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 33, section 4, is further amended by adding thereto the following subsection:

Administra-  
tion of oaths

(12) Any officer or employee in the Ministry of Community and Social Services who is authorized to administer oaths, take and receive affidavits, declarations and affirmations and any officer or employee in the Ministry of Revenue who is authorized by the Minister, may administer oaths, take and receive affidavits, declarations and affirmations for the purposes of or incidental to the administration or enforcement of this Act, and every person so authorized has, with respect to any such oath, affidavit, declaration or affirmation, all the powers of a commissioner for taking affidavits.

s. 14.  
re-enacted

8. Section 14 of the said Act is repealed and the following substituted therefor:

Investigation

14.—(1) Any person thereunto authorized by the Minister for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises or place where any business is carried on or any property is kept or where anything is done in connection with any business or where any books or records are kept and,

- (a) audit or examine the books and records and any account, voucher, letter, telegram or other docu-

ment that relates or may relate to the information that is or should be in the books or records or to the amount of an increment payable under this Act;

- (b) examine property described in any conveyance or any property, process or matter, an examination of which may, in his opinion, assist him in determining the accuracy of any application required by this Act or in ascertaining the information that is or should be in the books or records or in such application, or the amount of any increment payable under this Act;
- (c) require any person on the premises to give him all reasonable assistance with his audit or examination and to answer all questions relating to the audit or examination either orally or, if he so requires, in writing, on oath or by statutory declaration and, for that purpose, he may require such person to attend at the premises or place with him; and
- (d) if during the course of any audit or examination it appears to him that there has been a violation of this Act or the regulations made under this Act, seize and take away any of the records, books, accounts, vouchers, letters, telegrams and other documents and retain them until they are produced in any court proceedings.

(2) The Minister may, for any purpose relating to the administration or enforcement of this Act, by registered letter or by a demand served personally, require from any person any information or additional information, or the production, or production on oath, of any books, letters, accounts, invoices, statements (financial or otherwise) or other documents within such reasonable time as is stipulated therein, provided that, in the opinion of the Minister or of the person authorized by him, it is necessary to make the demand in order to determine eligibility or possible eligibility for an increment under this Act.

(3) Where a book, record or other document has been seized, examined or produced under this section, the person by whom it is seized or examined or to whom it is produced, or any officer of the Ministry of Revenue, may make or cause to be made one or more copies thereof, and a document purporting to be certified by the Minister or a person

Production  
of  
documents  
and  
records to  
Minister

Copies of  
documents  
and  
records



thereunto authorized by the Minister to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have had if it had been proven in the ordinary way.

Compliance

(4) No person shall hinder or interfere with any person doing anything that he is authorized by this section to do or shall prevent or attempt to prevent any person doing any such thing, and notwithstanding any other law to the contrary, every person shall, unless he is unable to do so, do everything he is required by this section to do.

Offence

(5) Every person who has failed to comply with or has contravened this section is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of \$100 or \$25 for each day during which the default continues, whichever is the greater.

s. 15 (1) (d),  
amended

**9.** Clause *d* of subsection 1 of section 15 of the said Act is amended by striking out "or 14".

ss. 17, 18,  
repealed

**10.** Sections 17 and 18 of the said Act are repealed.

Commence-  
ment

**11.**—(1) This Act, except sections 1 to 7, 9 and 10, comes into force on the day it receives Royal Assent.

Idem

(2) Sections 1 to 7, and 9 and 10 shall be deemed to have come into force on the 1st day of July, 1977.

Short title

**12.** The short title of this Act is *The Ontario Guaranteed Annual Income Amendment Act, 1977*.





An Act to amend  
The Ontario Guaranteed Annual  
Income Act, 1974

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*1st Reading*

October 20th, 1977

*2nd Reading*

November 8th, 1977

*3rd Reading*

November 8th, 1977

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Legislative Assembly Act**

MR. WILLIAMS



#### EXPLANATORY NOTE

The amendment would require a person who holds office as a member of a council of a municipality and whose term of office is not yet three-quarters expired to resign his office on official nomination day if he wishes to be elected to the Assembly.

## An Act to amend The Legislative Assembly Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 8a of *The Legislative Assembly Act*, being chapter 240 of the Revised Statutes of Ontario, 1970, as enacted by the Statutes of Ontario, 1972, chapter 131, section 1, is repealed and the following substituted therefor:

8a.—(1) In this section,

Interpre-  
tation

(a) “nomination day” means the nomination day stated in the writ for election under section 7 of *The Election Act*; s. 8a,  
re-enacted  
R.S.O. 1970,  
c. 142

(b) “municipal office” means a position as a member of the council of any municipality, including a district, area, metropolitan or regional municipality, or of a local board, as defined in *The Municipal Affairs Act*, of a municipality. R.S.O. 1970,  
c. 118

(2) Subject to subsections 3 and 4, a person who is a candidate for election to or a member of the Assembly is not eligible to hold municipal office. Candidate  
member  
ineligible to  
hold muni-  
cipal office

(3) Every person who holds a municipal office and is nominated as a candidate for election to the Assembly forfeits the municipal office on nomination day unless the term of the office is more than three-quarters complete on that day. Where  
candidate  
ineligible  
on nomina-  
tion day

(4) A person who, while a candidate, continues to hold a municipal office and is elected a member of the Assembly forfeits the municipal office on the day that the return of the election of that person to the Assembly is published in *The Ontario Gazette* under section 127 of *The Election Act*. When  
elected  
candidate  
ineligible

Commence-  
ment

**2.** This Act comes into force on the day it receives Royal Assent.

Short title

**3.** The short title of this Act is *The Legislative Assembly Amendment Act, 1977*.









An Act to amend  
The Legislative Assembly Act

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*1st Reading*

October 21st, 1977

*2nd Reading*

*3rd Reading*

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MR. WILLIAMS

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*(Private Member's Bill)*

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Ministry of Consumer and  
Commercial Relations Act**

MR. DAVISON



#### EXPLANATORY NOTE

The amendment requires the Minister of Consumer and Commercial Relations to submit an annual report to the Assembly.

BILL 75

1977

## An Act to amend The Ministry of Consumer and Commercial Relations Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Ministry of Consumer and Commercial Relations Act*, <sup>s. 13.</sup> <sup>enacted</sup> being chapter 113 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following section:
 

13. The Minister after the close of each year shall submit <sup>Annual</sup> to the Lieutenant Governor in Council an annual report <sup>report</sup> upon the affairs of the Ministry and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session.
2. This Act comes into force on the day it receives Royal Assent. <sup>Commence-</sup>  
<sup>ment</sup>
3. The short title of this Act is *The Ministry of Consumer and Commercial Relations Amendment Act, 1977*. <sup>Short title</sup>

An Act to amend  
The Ministry of Consumer and  
Commercial Relations Act

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*1st Reading*

October 24th, 1977

*2nd Reading*

*3rd Reading*

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MR. DAVISON

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*(Private Member's Bill)*

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Liquor Licence Act, 1975**

MR. MANCINI





#### EXPLANATORY NOTE

The purpose of the Bill is to increase the legal drinking age in Ontario from eighteen to nineteen years of age.

Section 45 as amended by this Bill, showing underlined the age references to be changed, is set out below:

- 45.—(1) *No person shall knowingly sell or supply liquor to a person under the age of nineteen years.*
- (2) *No liquor shall be sold or supplied to a person who is apparently under the age of nineteen years, and, in any prosecution for a contravention of this subsection, the justice shall determine from the appearance of such person and other relevant circumstances whether he is apparently under the age of nineteen years.*
- (3) *No person under the age of nineteen years shall have, consume, attempt to purchase, purchase or otherwise obtain liquor.*
- (4) *No person under the age of nineteen years shall enter or remain on premises in which the sale of liquor is authorized except those classes of premises that are prescribed by the regulations.*
- (5) *This section does not apply to the supplying of liquor to a person under the age of nineteen years by the parent or guardian of such person in a residence as defined in section 46 or to the consumption of liquor therein by such person.*
- (6) *A person who sells or supplies liquor to another person shall be deemed not to be in contravention of subsection 1 or 2 if, before he sells or supplies the liquor, a card in the form prescribed by the regulations is produced to him by the person to whom he sells or supplies the liquor, which purports to be issued by the Board to the person producing it and if there is no apparent inconsistency on the face of the card or between the card and the person producing it.*
- (7) *Any person who is or who becomes eighteen years of age on the day immediately preceding the day The Liquor Licence Amendment Act, 1977, comes into force shall continue to have the rights and privileges he had under The Liquor Licence Act, 1975 as it existed on that day and while such a person is of the actual age of eighteen years he shall for the purposes of this section be deemed to be nineteen years of age.*

BILL 76

1977

## An Act to amend The Liquor Licence Act, 1975

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Subsection 1 of section 45 of *The Liquor Licence Act*, s. 45 (1),  
1975, being chapter 40, is amended by striking out amended  
“eighteen” in the second line and inserting in lieu thereof  
“nineteen”.
- (2) Subsection 2 of the said section 45 is amended by striking s. 45 (2),  
out “eighteen” in the second line and in the sixth line amended  
and inserting in lieu thereof in each instance “nineteen”.
- (3) Subsection 3 of the said section 45 is amended by striking s. 45 (3),  
out “eighteen” in the first line and inserting in lieu thereof amended  
“nineteen”.
- (4) Subsection 4 of the said section 45 is amended by striking s. 45 (4),  
out “eighteen” in the first line and inserting in lieu thereof amended  
“nineteen”.
- (5) Subsection 5 of the said section 45 is amended by striking s. 45 (5),  
out “eighteen” in the second line and inserting in lieu amended  
thereof “nineteen”.
- (6) Section 45 of the said Act is amended by adding thereto s. 45,  
the following subsection: amended
- (7) Any person who is or who becomes eighteen years of Transition  
age on the day immediately preceding the day *The Liquor  
Licence Amendment Act, 1977* comes into force shall continue  
to have the rights and privileges he had under *The Liquor  
Licence Act, 1975* as it existed on that day and while such a  
person is of the actual age of eighteen years he shall for the  
purposes of this section be deemed to be nineteen years of  
age.

Commence-  
ment

**2.** This Act comes into force on the 1st day of March, 1978.

Short title

**3.** The short title of this Act is *The Liquor Licence Amendment Act, 1977*.







An Act to amend  
The Liquor Licence Act, 1975

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*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

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MR. MANCINI

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*(Private Member's Bill)*



22 & W  
B  
B56

**BILL 77**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Judicature Act**

THE HON. R. MCMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

SECTION 1.—Subsection 1. The clause repealed provides for appeals from decisions under *The Judicial Review Procedure Act, 1971*. The appeals are provided for by section 6 (4) of that Act, as re-enacted by the Statutes of Ontario, 1976, chapter 45, section 1.

Subsection 2. Complementary to section 12 of this Bill.

SECTION 2. Complementary to section 12 of this Bill.

SECTION 3. Provision is made for the awarding of prejudgment interest.

BILL 77

1977

## An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *c* of subsection 1 of section 17 of *The Judicature Act*, being chapter 228 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1971, chapter 57, section 1, is repealed. s. 17 (1) (c).  
repealed

(2) Clause *d* of subsection 1 of the said section 17 is amended by striking out “in court or in chambers” in the second and third lines. s. 17 (1) (d).  
amended

2. Clause *a* of subsection 1 of section 29 of the said Act, as re-enacted by the Statutes of Ontario, 1971, chapter 57, section 3, is amended by striking out “in court or in chambers” in the second line. s. 29 (1) (a).  
amended

3.—(1) Sections 38 and 39 of the said Act are repealed and the following substituted therefor: s. 38.  
re-enacted.  
s. 39.  
repealed

38.—(1) In this section, “prime rate” means the lowest rate of interest quoted by chartered banks to the most credit-worthy borrowers for prime business loans, as determined and published by the Bank of Canada. Prime rate  
defined

(2) For the purposes of establishing the prime rate, the periodic publication entitled the Bank of Canada Review purporting to be published by the Bank of Canada is admissible in evidence as conclusive proof of the prime rate as set out therein, without further proof of the authenticity of the publication. Idem

(3) Subject to subsection 6, a person who is entitled to a judgment for the payment of money is entitled to claim and have included in the judgment an award of interest thereon, Prejudgment  
interest

- (a) at the prime rate existing for the month preceding the month on which the action was commenced; and
- (b) calculated,
  - (i) where the judgment is given upon a liquidated claim, from the date the cause of action arose to the date of judgment, or
  - (ii) where the judgment is given upon an unliquidated claim, from the date the person entitled gave notice in writing of his claim to the person liable therefor to the date of the judgment.

Special  
damages

(4) Where the judgment includes an amount for special damages, the interest calculated under subsection 3 shall be calculated on the balance of special damages incurred as totalled at the end of each six month period following the notice in writing referred to in subclause ii of clause *b* of subsection 3 and at the date of the judgment.

Exclusions

- (5) Interest under this section shall not be awarded,
- (a) on exemplary or punitive damages;
  - (b) on interest accruing under this section;
  - (c) on an award of costs in the action;
  - (d) on that part of the judgment that represents pecuniary loss arising after the date of the judgment and that is identified by a finding of the court;
  - (e) except by consent of the judgment debtor where the judgment is given on consent;
  - (f) where interest is payable by a right other than under this section.

Discretion  
of judge

- (6) The judge may, where he considers it to be just to do so in all the circumstances,
- (a) disallow interest under this section;
  - (b) fix a rate of interest higher or lower than the prime rate;
  - (c) allow interest under this section for a period other than that provided,



SECTIONS 4 AND 5. The amendments are to the provisions for the obtaining and registering of certificates of *lis pendens* and cautions arising from them. The principal changes are:

1. Persons who make spurious claims for the purpose of registering a *lis pendens* are subject to liability for damages;
2. Applications to vacate a *lis pendens* in the High Court may be dealt with by a local judge;
3. The judge granting an order vacating a *lis pendens* may order a stay on registration for the purposes of an appeal.

in respect of the whole or any part of the amount for which judgment is given.

- (2) This section applies to the payment of money under judgments delivered after this section comes into force, but no interest shall be awarded under this section for a period before this section comes into force. Application of subs. 1

- 4.—(1) Section 41 of the said Act is amended by adding thereto the following subsections: s. 41, amended

(4) Any person who registers a certificate or caution referred to in subsection 1 without a reasonable claim to title to or interest in the land is liable for any damages sustained by any person as a result of its registration. Liability for unsubstantiated claim

(5) The liability for damages under subsection 4 and the amount thereof may be determined in an action commenced therefor in the court in which the certificate is issued or by application in the proceeding for an order to vacate the caution or certificate or in the action or proceeding in which the question of title to or interest in the land is determined. Recovery of damages

- (2) This section does not apply in respect of cautions or certificates registered before this section comes into force. Application

- 5.—(1) Subsection 2 of section 42 of the said Act is amended by striking out "High Court" in the eighth and ninth lines and inserting in lieu thereof "court in which the action or proceeding was commenced". s. 42 (2), amended

- (2) Subsection 3 of the said section 42 is amended by striking out "High Court" in the first line and inserting in lieu thereof "court in which the action or proceeding was commenced". s. 42 (3), amended

- (3) Subsection 5 of the said section 42 is repealed and the following substituted therefor: s. 42 (5), re-enacted

(5) The order vacating a caution or certificate is subject to appeal according to the practice in like cases and may be registered in the same manner as a judgment affecting land, except that the judge granting the order may order a stay of the registration for the purposes of the appeal. Appeal

- (4) The said section 42, as amended by the Statutes of Ontario, 1974, chapter 81, section 2, is further amended by adding thereto the following subsection: s. 42, amended



Jurisdiction  
of local  
judge

(7) The jurisdiction of a judge of the High Court under this section and section 41 may be exercised by a local judge of the High Court.

s. 69 (6),  
amended

**6.** Subsection 6 of section 69 of the said Act is amended by striking out "sitting in chambers" in the second line.

s. 94 (1),  
re-enacted

**7.** Subsection 1 of section 94 of the said Act is repealed and the following substituted therefor:

Holiday  
defined

(1) In this section, "holiday" means,

(a) Saturday;

(b) Sunday;

R.S.O. 1970,  
c. 386

(c) a day that is a holiday for civil servants as prescribed by the regulations under *The Public Service Act*.

s. 114 (10) (f),  
amended

**8.—(1)** Clause *f* of subsection 10 of section 114 of the said Act, as amended by the Statutes of Ontario, 1975, chapter 30, section 6, is further amended by striking out "in chambers" in the tenth and eleventh lines.

s. 114 (10),  
amended

(2) Subsection 10 of the said section 114, as amended by the Statutes of Ontario, 1971, chapter 57, section 4 and 1975, chapter 30, section 6, is further amended by adding thereto the following clause:

(fa) providing for the hearing of motions in private.

s. 115 (2),  
amended

**9.** Subsection 2 of section 115 of the said Act is amended by striking out "Lieutenant Governor" in the first line and inserting in lieu thereof "Attorney General".

s. 116 (3),  
repealed

**10.** Subsection 3 of section 116 of the said Act is repealed.

s. 125,  
amended

**11.** Section 125 of the said Act is amended by striking out "or in chambers" in the first and second lines.

Motions in  
chambers  
deemed  
in court

**12.** Where, by any Act, provision is made for a proceeding to be taken before a judge or court by motion in chambers, such provision shall be deemed to provide that the proceeding be by motion in court.

Application  
of ss. 1 (2), 2, 6,  
8, 11, 12

**13.** Subsection 2 of section 1 and sections 2, 6, 8, 11 and 12 do not apply in respect of motions commenced before those sections come into force.

SECTION 6. Complementary to section 12 of this Bill.

SECTION 7. The definition of holiday is made to accord with the wording used in respect of other public offices.

SECTION 8. Complementary to section 12 of this Bill.

SECTION 9. The amendment requires the Council of Judges to report to the Attorney General instead of the Lieutenant Governor.

SECTION 10. The provision deleted would prohibit the judges from delegating to a committee the duty of meeting as a Council of Judges. The deletion will permit a committee to perform the duties of the Council.

SECTION 11. Complementary to section 12 of this Bill.

SECTION 12. The Ontario Law Reform Commission recommended in chapter 6 of Part I of its Report on the Administration of Justice that chambers motions be abolished and all motions be in open court. In the implementation of this recommendation, this provision would convert references to motions in chambers where they occur in the statutes, to motions in court.



- 14.**—(1) This Act, except subsection 2 of section 1, and sections 6, 8, 11 and 12, comes into force on the day it receives <sup>Commence-  
ment</sup> Royal Assent.
- (2) Subsection 2 of section 1 and sections 6, 8, 11 and 12 <sup>Idem</sup> come into force on a day to be named by proclamation of the Lieutenant Governor.
- 15.** The short title of this Act is *The Judicature Amendment Act*, <sup>Short title</sup> 1977.

An Act to amend  
The Judicature Act

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*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. R. MCMURTRY  
Attorney General

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*((Government Bill))*

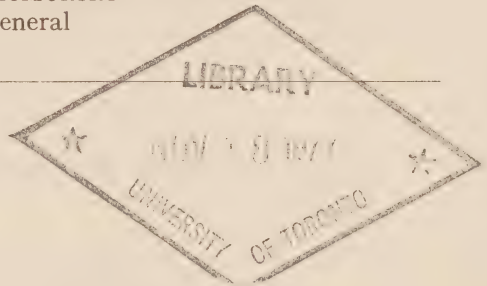
**BILL 77**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Judicature Act**

THE HON. R. MCMURTRY  
Attorney General



*(Reprinted as amended by the Committee of the Whole House)*

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

SECTION 1.—Subsection 1. The clause repealed provides for appeals from decisions under *The Judicial Review Procedure Act, 1971*. The appeals are provided for by section 6 (4) of that Act, as re-enacted by the Statutes of Ontario, 1976, chapter 45, section 1.

Subsection 2. Complementary to section 12 of this Bill.

SECTION 2. Complementary to section 12 of this Bill.

SECTION 3. Provision is made for the awarding of prejudgment interest.



## An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Clause *c* of subsection 1 of section 17 of *The Judicature Act*, being chapter 228 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1971, chapter 57, section 1, is repealed. s. 17 (1) (c),  
repealed
- (2) Clause *d* of subsection 1 of the said section 17 is amended by striking out “in court or in chambers” in the second and third lines. s. 17 (1) (d),  
amended
2. Clause *a* of subsection 1 of section 29 of the said Act, as re-enacted by the Statutes of Ontario, 1971, chapter 57, section 3, is amended by striking out “in court or in chambers” in the second line. s. 29 (1) (a),  
amended
- 3.—(1) Sections 38 and 39 of the said Act are repealed and the following substituted therefor: s. 38.  
re-enacted,  
s. 39.  
repealed

38.—(1) In this section, “prime rate” means the lowest rate of interest quoted by chartered banks to the most credit-worthy borrowers for prime business loans, as determined and published by the Bank of Canada. Prime rate  
defined

(2) For the purposes of establishing the prime rate, the periodic publication entitled the Bank of Canada Review purporting to be published by the Bank of Canada is admissible in evidence as conclusive proof of the prime rate as set out therein, without further proof of the authenticity of the publication. Idem

(3) Subject to subsection 6, a person who is entitled to a judgment for the payment of money is entitled to claim and have included in the judgment an award of interest thereon, Prejudgment  
interest

- (a) at the prime rate existing for the month preceding the month on which the action was commenced; and
- (b) calculated,

- (i) where the judgment is given upon a liquidated claim, from the date the cause of action arose to the date of judgment, or
- (ii) where the judgment is given upon an unliquidated claim, from the date the person entitled gave notice in writing of his claim to the person liable therefor to the date of the judgment.

Special  
damages

(4) Where the judgment includes an amount for special damages, the interest calculated under subsection 3 shall be calculated on the balance of special damages incurred as totalled at the end of each six month period following the notice in writing referred to in subclause ii of clause *b* of subsection 3 and at the date of the judgment.

Exclusions

- (5) Interest under this section shall not be awarded,
  - (a) on exemplary or punitive damages;
  - (b) on interest accruing under this section;
  - (c) on an award of costs in the action;
  - (d) on that part of the judgment that represents pecuniary loss arising after the date of the judgment and that is identified by a finding of the court;
  - (e) except by consent of the judgment debtor where the judgment is given on consent;
  - (f) where interest is payable by a right other than under this section.

Discretion  
of judge

- (6) The judge may, where he considers it to be just to do so in all the circumstances,
  - (a) disallow interest under this section;
  - (b) fix a rate of interest higher or lower than the prime rate;
  - (c) allow interest under this section for a period other than that provided,



SECTIONS 4 AND 5. The amendments are to the provisions for the obtaining and registering of certificates of *lis pendens* and cautions arising from them. The principal changes are:

1. Persons who make spurious claims for the purpose of registering a *lis pendens* are subject to liability for damages;
2. Applications to vacate a *lis pendens* in the High Court may be dealt with by a local judge;
3. The judge granting an order vacating a *lis pendens* may order a stay on registration for the purposes of an appeal.

in respect of the whole or any part of the amount for which judgment is given.

- (2) This section applies to the payment of money under judgments delivered after this section comes into force, but no interest shall be awarded under this section for a period before this section comes into force. Application of subs. 1

- 4.—(1) Section 41 of the said Act is amended by adding thereto the following subsections: s. 41, amended

(4) Any person who registers a certificate or caution referred to in subsection 1 without a reasonable claim to title to or interest in the land is liable for any damages sustained by any person as a result of its registration. Liability for unsubstantiated claim

(5) The liability for damages under subsection 4 and the amount thereof may be determined in an action commenced therefor in the court in which the certificate is issued or by application in the proceeding for an order to vacate the caution or certificate or in the action or proceeding in which the question of title to or interest in the land is determined. Recovery of damages

- (2) This section does not apply in respect of cautions or certificates registered before this section comes into force. Application

- 5.—(1) Subsection 2 of section 42 of the said Act is amended by striking out "High Court" in the eighth and ninth lines and inserting in lieu thereof "court in which the action or proceeding was commenced". s. 42 (2), amended

- (2) Subsection 3 of the said section 42 is amended by striking out "High Court" in the first line and inserting in lieu thereof "court in which the action or proceeding was commenced". s. 42 (3), amended

- (3) Subsection 5 of the said section 42 is repealed and the following substituted therefor: s. 42 (5), re-enacted

(5) The order vacating a caution or certificate is subject to appeal according to the practice in like cases and may be registered in the same manner as a judgment affecting land, except that the judge granting the order may order a stay of the registration for the purposes of the appeal. Appeal

- (4) The said section 42, as amended by the Statutes of Ontario, 1974, chapter 81, section 2, is further amended by adding thereto the following subsection: s. 42, amended

Jurisdiction  
of local  
judge

(7) The jurisdiction of a judge of the High Court under this section and section 41 may be exercised by a local judge of the High Court.

s. 69 (6),  
amended

**6.** Subsection 6 of section 69 of the said Act is amended by striking out "sitting in chambers" in the second line.

s. 94 (1),  
re-enacted

**7.** Subsection 1 of section 94 of the said Act is repealed and the following substituted therefor:

Holiday  
defined

(1) In this section, "holiday" means,

(a) Saturday;

(b) Sunday;

R.S.O. 1970,  
c. 386

(c) a day that is a holiday for civil servants as prescribed by the regulations under *The Public Service Act*.

s. 114 (10) (f),  
amended

**8.—(1)** Clause *f* of subsection 10 of section 114 of the said Act, as amended by the Statutes of Ontario, 1975, chapter 30, section 6, is further amended by striking out "in chambers" in the tenth and eleventh lines.

s. 114 (10),  
amended

(2) Subsection 10 of the said section 114, as amended by the Statutes of Ontario, 1971, chapter 57, section 4 and 1975, chapter 30, section 6, is further amended by adding thereto the following clause:




(fa) prescribing motions that need not be heard in open court.

s. 114a,  
enacted

**9.** The said Act is amended by adding thereto the following section:

Motions in  
open court

**114a.** Notwithstanding the provisions of this or any other Act or regulation, all motions and applications shall be heard in open court, except as provided by the rules. 


s. 115 (2),  
amended

**10.** Subsection 2 of section 115 of the said Act is amended by striking out "Lieutenant Governor" in the first line and inserting in lieu thereof "Attorney General".

s. 116 (3),  
repealed

**11.** Subsection 3 of section 116 of the said Act is repealed. 

s. 123,  
amended

**12.** Section 123 of the said Act is amended by inserting after "82" in the fourth line "114a". 

SECTION 6. Complementary to section 12 of this Bill.

SECTION 7. The definition of holiday is made to accord with the wording used in respect of other public offices.

SECTION 8. Complementary to section 12 of this Bill.

SECTION 9. The Ontario Law Reform Commission recommended in chapter 6 of Part I of its Report on the Administration of Justice that chambers motions be abolished and all motions be in open court. In the implementation of this recommendation, this provision would convert references to motions in chambers where they occur in the statutes, to motions in court.

SECTION 10. The amendment requires the Council of Judges to report to the Attorney General instead of the Lieutenant Governor.

SECTION 11. The provision deleted would prohibit the judges from delegating to a committee the duty of meeting as a Council of Judges. The deletion will permit a committee to perform the duties of the Council.



SECTION 13. Complementary to section 9 of this Bill.

- 13.** Section 125 of the said Act is amended by striking out “or in chambers” in the first and second lines. s. 125, amended
- 14.** Subsection 2 of section 1 and sections 2, 6, 8, 9, 12 and 13 do not apply in respect of motions commenced before those sections come into force. Application of ss. 1 (2), 2, 6, 8, 11, 12
- 15.**—(1) This Act, except subsection 2 of section 1, and sections 2, 6, 8, 9, 12 and 13, comes into force on the day it receives Royal Assent. Commencement
- (2) Subsection 2 of section 1 and sections 2, 6, 8, 9, 12 and 13 come into force on a day to be named by proclamation of the Lieutenant Governor. Idem
- 16.** The short title of this Act is *The Judicature Amendment Act, 1977*. Short title 1977.

An Act to amend  
The Judicature Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

November 1st, 1977

*3rd Reading*

---

THE HON. R. MCMURTRY  
Attorney General

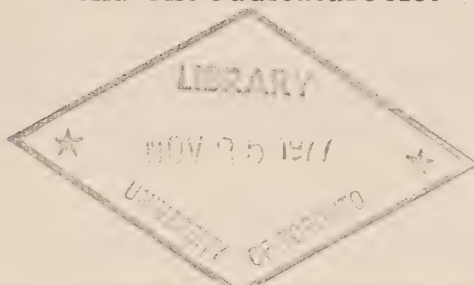
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*(Reprinted as amended by the  
Committee of the Whole House)*

**BILL 77**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Judicature Act**



THE HON. R. MCMURTRY  
Attorney General

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



BILL 77

1977

## An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *c* of subsection 1 of section 17 of *The Judicature Act*, being chapter 228 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1971, chapter 57, section 1, is repealed. s. 17 (1) (c).  
repealed

(2) Clause *d* of subsection 1 of the said section 17 is amended by striking out “in court or in chambers” in the second and third lines. s. 17 (1) (d).  
amended

2. Clause *a* of subsection 1 of section 29 of the said Act, as re-enacted by the Statutes of Ontario, 1971, chapter 57, section 3, is amended by striking out “in court or in chambers” in the second line. s. 29 (1) (a).  
amended

3.—(1) Sections 38 and 39 of the said Act are repealed and the following substituted therefor: s. 38.  
re-enacted,  
s. 39,  
repealed

38.—(1) In this section, “prime rate” means the lowest rate of interest quoted by chartered banks to the most credit-worthy borrowers for prime business loans, as determined and published by the Bank of Canada. Prime rate  
defined

(2) For the purposes of establishing the prime rate, the periodic publication entitled the Bank of Canada Review purporting to be published by the Bank of Canada is admissible in evidence as conclusive proof of the prime rate as set out therein, without further proof of the authenticity of the publication. Idem

(3) Subject to subsection 6, a person who is entitled to a judgment for the payment of money is entitled to claim and have included in the judgment an award of interest thereon, Prejudgment  
interest

- (a) at the prime rate existing for the month preceding the month on which the action was commenced; and
- (b) calculated,
  - (i) where the judgment is given upon a liquidated claim, from the date the cause of action arose to the date of judgment, or
  - (ii) where the judgment is given upon an unliquidated claim, from the date the person entitled gave notice in writing of his claim to the person liable therefor to the date of the judgment.

Special  
damages

(4) Where the judgment includes an amount for special damages, the interest calculated under subsection 3 shall be calculated on the balance of special damages incurred as totalled at the end of each six month period following the notice in writing referred to in subclause ii of clause *b* of subsection 3 and at the date of the judgment.

Exclusions

- (5) Interest under this section shall not be awarded,
  - (a) on exemplary or punitive damages;
  - (b) on interest accruing under this section;
  - (c) on an award of costs in the action;
  - (d) on that part of the judgment that represents pecuniary loss arising after the date of the judgment and that is identified by a finding of the court;
  - (e) except by consent of the judgment debtor where the judgment is given on consent;
  - (f) where interest is payable by a right other than under this section.

Discretion  
of judge

- (6) The judge may, where he considers it to be just to do so in all the circumstances,
  - (a) disallow interest under this section;
  - (b) fix a rate of interest higher or lower than the prime rate;
  - (c) allow interest under this section for a period other than that provided,



in respect of the whole or any part of the amount for which judgment is given.

- (2) This section applies to the payment of money under judgments delivered after this section comes into force, but no interest shall be awarded under this section for a period before this section comes into force. <sup>Application of subs. 1</sup>

- 4.—(1) Section 41 of the said Act is amended by adding thereto the following subsections: <sup>s. 41, amended</sup>

(4) Any person who registers a certificate or caution referred to in subsection 1 without a reasonable claim to title to or interest in the land is liable for any damages sustained by any person as a result of its registration. <sup>Liability for unsubstantiated claim</sup>

(5) The liability for damages under subsection 4 and the amount thereof may be determined in an action commenced therefor in the court in which the certificate is issued or by application in the proceeding for an order to vacate the caution or certificate or in the action or proceeding in which the question of title to or interest in the land is determined. <sup>Recovery of damages</sup>

(2) This section does not apply in respect of cautions or certificates registered before this section comes into force. <sup>Application</sup>

- 5.—(1) Subsection 2 of section 42 of the said Act is amended by striking out "High Court" in the eighth and ninth lines and inserting in lieu thereof "court in which the action or proceeding was commenced". <sup>s. 42 (2), amended</sup>

(2) Subsection 3 of the said section 42 is amended by striking out "High Court" in the first line and inserting in lieu thereof "court in which the action or proceeding was commenced". <sup>s. 42 (3), amended</sup>

(3) Subsection 5 of the said section 42 is repealed and the following substituted therefor: <sup>s. 42 (5), re-enacted</sup>

(5) The order vacating a caution or certificate is subject to appeal according to the practice in like cases and may be registered in the same manner as a judgment affecting land, except that the judge granting the order may order a stay of the registration for the purposes of the appeal. <sup>Appeal</sup>

(4) The said section 42, as amended by the Statutes of Ontario, 1974, chapter 81, section 2, is further amended by adding thereto the following subsection: <sup>s. 42, amended</sup>

Jurisdiction  
of local  
judge

(7) The jurisdiction of a judge of the High Court under this section and section 41 may be exercised by a local judge of the High Court.

s. 69 (6),  
amended

6. Subsection 6 of section 69 of the said Act is amended by striking out "sitting in chambers" in the second line.

s. 94 (1),  
re-enacted

7. Subsection 1 of section 94 of the said Act is repealed and the following substituted therefor:

Holiday  
defined

(1) In this section, "holiday" means,

(a) Saturday;

(b) Sunday;

R.S.O. 1970,  
c. 386

(c) a day that is a holiday for civil servants as prescribed by the regulations under *The Public Service Act*.

s. 114 (10) (f),  
amended

8.—(1) Clause *f* of subsection 10 of section 114 of the said Act, as amended by the Statutes of Ontario, 1975, chapter 30, section 6, is further amended by striking out "in chambers" in the tenth and eleventh lines.

s. 114 (10),  
amended

(2) Subsection 10 of the said section 114, as amended by the Statutes of Ontario, 1971, chapter 57, section 4 and 1975, chapter 30, section 6, is further amended by adding thereto the following clause:

(*fa*) prescribing motions that need not be heard in open court.

s. 114*a*,  
enacted

9. The said Act is amended by adding thereto the following section:

Motions in  
open court

114*a*. Notwithstanding the provisions of this or any other Act or regulation, all motions and applications shall be heard in open court, except as provided by the rules.

s. 115 (2),  
amended

10. Subsection 2 of section 115 of the said Act is amended by striking out "Lieutenant Governor" in the first line and inserting in lieu thereof "Attorney General".

s. 116 (3),  
repealed

11. Subsection 3 of section 116 of the said Act is repealed.

s. 123,  
amended

12. Section 123 of the said Act is amended by inserting after "82" in the fourth line "114*a*".

- 13.** Section 125 of the said Act is amended by striking out “or in chambers” in the first and second lines. s. 125.  
amended
- 14.** Subsection 2 of section 1 and sections 2, 6, 8, 9, 12 and 13 do not apply in respect of motions commenced before those sections come into force. Application  
of ss. 1 (2), 2, 6,  
8, 11, 12
- 15.**—(1) This Act, except subsection 2 of section 1, and sections 2, 6, 8, 9, 12 and 13, comes into force on the day it receives Royal Assent. Commence-  
ment
- (2) Subsection 2 of section 1 and sections 2, 6, 8, 9, 12 and 13 come into force on a day to be named by proclamation of the Lieutenant Governor. Idem
- 16.** The short title of this Act is *The Judicature Amendment Act*, 1977. Short title  
1977.

An Act to amend  
The Judicature Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

November 1st, 1977

*3rd Reading*

November 8th, 1977

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THE HON. R. McMURTRY  
Attorney General

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**BILL 78**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The County Judges Act**

THE HON. R. MCMURTRY  
Attorney General



#### EXPLANATORY NOTE

The amendments make provision for an Associate Chief Judge of the County and District Courts.

BILL 78

1977

## An Act to amend The County Judges Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The County Judges Act*, being chapter 95 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 1,  
re-enacted

1. In addition to the judges otherwise provided for in this Act, a Chief Judge of the County and District Courts, herein referred to as the chief judge, and an Associate Chief Judge of the County and District Courts may be appointed, and they shall have all the powers of a judge throughout Ontario. Chief  
Judge and  
Associate  
Chief Judge

2. Subsection 2 of section 5 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 15, section 2, is repealed and the following substituted therefor: s. 5 (2),  
re-enacted

(2) The chief judge has rank and precedence over all other judges and, after the associate chief judge, the judges, junior judges and supernumerary judges have rank and precedence among themselves according to seniority of appointment. Rank and  
precedence

3. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commence-  
ment
4. The short title of this Act is *The County Judges Amendment Act, 1977*. Short title



An Act to amend  
The County Judges Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

---

THE HON. R. McMURTRY  
Attorney General

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(*Government Bill*)

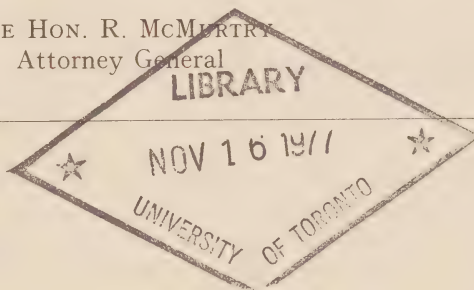
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**BILL 78**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The County Judges Act**

THE HON. R. McMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



BILL 78

1977

## An Act to amend The County Judges Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The County Judges Act*, being chapter 95 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 1,  
re-enacted
  1. In addition to the judges otherwise provided for in this Act, a Chief Judge of the County and District Courts, herein referred to as the chief judge, and an Associate Chief Judge of the County and District Courts may be appointed, and they shall have all the powers of a judge throughout Ontario. Chief  
Judge and  
Associate  
Chief Judge
2. Subsection 2 of section 5 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 15, section 2, is repealed and the following substituted therefor: s. 5 (2),  
re-enacted
  - (2) The chief judge has rank and precedence over all other judges and, after the associate chief judge, the judges, junior judges and supernumerary judges have rank and precedence among themselves according to seniority of appointment. Rank and  
precedence
3. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor. Commence-  
ment
4. The short title of this Act is *The County Judges Amendment Act, 1977*. Short title

An Act to amend  
The County Judges Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

November 1st, 1977

*3rd Reading*

November 1st, 1977

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THE HON. R. McMURTRY  
Attorney General

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**BILL 79**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Judicature Act**

THE HON. R. MCMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The offices of Associate Chief Justice of Ontario and Associate Chief Justice of the High Court are established. The addition of the Associate Chief Justice of Ontario adds one justice to the Court of Appeal and the number of judges of the High Court is increased from a total of thirty-eight to a total of forty-two.



## An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 4 of *The Judicature Act*, being <sup>s. 4 (1), amended</sup> chapter 228 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1974, chapter 81, section 1, is further amended by inserting after "Ontario" in the third line "an Associate Chief Justice of Ontario".

(2) Subsection 2 of the said section 4 is repealed and the <sup>s. 4 (2), re-enacted</sup> following substituted therefor:

(2) Where the Chief Justice of Ontario is absent from <sup>Absence of Chief Justice</sup> the Judicial District of York or where he is for any reason unable to act, his powers and duties as president of the Court of Appeal shall be exercised and performed by the Associate Chief Justice of Ontario in his stead or, where both are absent or unable to act by the senior justice of appeal who is able to act.

2.—(1) Subsection 1 of section 5 of the said Act, as amended <sup>s. 5 (1), amended</sup> by the Statutes of Ontario, 1976, chapter 86, section 1, is further amended by striking out "and thirty-seven other judges" in the third line and in the amendment of 1976 and inserting in lieu thereof "an Associate Chief Justice of the High Court, and forty other judges".

(2) Subsection 2 of the said section 5 is repealed and the <sup>s. 5 (2), re-enacted</sup> following substituted therefor:

(2) Where the Chief Justice of the High Court is absent <sup>Absence of Chief Justice of the High Court</sup> from Ontario or where he is for any reason unable to act, his powers shall be exercised and his duties performed by the Associate Chief Justice of the High Court in his stead or, where both are absent or unable to act, by the senior judge of the High Court who is able to act.

s. 8,  
amended

- 3.**—(1) Section 8 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 159, section 3, is further amended by adding thereto the following subsection:

Idem

(2a) The Associate Chief Justice of Ontario has rank and precedence next after the Chief Justice of the High Court and the Associate Chief Justice of the High Court has rank and precedence next after the Associate Chief Justice of Ontario.

s. 8 (3),  
amended

- (2) Subsection 3 of the said section 8, as amended by the Statutes of Ontario, 1972, chapter 159, section 3, is further amended by inserting after “the” where it occurs the first time in the second line “Associate”.

Commence-  
ment

- 4.** This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

Short title

- 5.** The short title of this Act is *The Judicature Amendment Act, 1977*.







An Act to amend  
The Judicature Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

---

THE HON. R. McMURTRY  
Attorney General

---

*(Government Bill)*

**BILL 79**

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

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**An Act to amend The Judicature Act**

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THE HON. R. MCMURTRY  
Attorney General

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## An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 4 of *The Judicature Act*, being <sup>s. 4 (1), amended</sup> chapter 228 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1974, chapter 81, section 1, is further amended by inserting after “Ontario” in the third line “an Associate Chief Justice of Ontario”.

(2) Subsection 2 of the said section 4 is repealed and the <sup>s. 4 (2), re-enacted</sup> following substituted therefor:

(2) Where the Chief Justice of Ontario is absent from <sup>Absence of Chief Justice</sup> the Judicial District of York or where he is for any reason unable to act, his powers and duties as president of the Court of Appeal shall be exercised and performed by the Associate Chief Justice of Ontario in his stead or, where both are absent or unable to act by the senior justice of appeal who is able to act.

2.—(1) Subsection 1 of section 5 of the said Act, as amended <sup>s. 5 (1), amended</sup> by the Statutes of Ontario, 1976, chapter 86, section 1, is further amended by striking out “and thirty-seven other judges” in the third line and in the amendment of 1976 and inserting in lieu thereof “an Associate Chief Justice of the High Court, and forty other judges”.

(2) Subsection 2 of the said section 5 is repealed and the <sup>s. 5 (2), re-enacted</sup> following substituted therefor:

(2) Where the Chief Justice of the High Court is absent <sup>Absence of Chief Justice of the High Court</sup> from Ontario or where he is for any reason unable to act, his powers shall be exercised and his duties performed by the Associate Chief Justice of the High Court in his stead or, where both are absent or unable to act, by the senior judge of the High Court who is able to act.

s. 8,  
amended

**3.**—(1) Section 8 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 159, section 3, is further amended by adding thereto the following subsection:

Idem

(2a) The Associate Chief Justice of Ontario has rank and precedence next after the Chief Justice of the High Court and the Associate Chief Justice of the High Court has rank and precedence next after the Associate Chief Justice of Ontario.

s. 8 (3),  
amended

(2) Subsection 3 of the said section 8, as amended by the Statutes of Ontario, 1972, chapter 159, section 3, is further amended by inserting after “the” where it occurs the first time in the second line “Associate”.

Commence-  
ment

**4.** This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

Short title

**5.** The short title of this Act is *The Judicature Amendment Act, 1977*.







An Act to amend  
The Judicature Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

November 1st, 1977

*3rd Reading*

November 1st, 1977

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THE HON. R. McMURTRY  
Attorney General

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**BILL 80**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Provincial Courts Act**

THE HON. R. McMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

SECTION 1. The amendment would provide for an associate chief judge in each division of the provincial courts.

SECTION 2. Provision is made for the awarding of costs in the provincial courts (family division).

## An Act to amend The Provincial Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 10 of *The Provincial Courts Act*, being chapter 369 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 10 (2),  
re-enacted

(2) The Lieutenant Governor in Council may appoint a judge as associate chief judge of the provincial courts (criminal division) and a judge as associate chief judge of the provincial courts (family division). Associate  
chief judges

- 2.—(1) Subsection 3 of section 26 of the said Act is amended by adding thereto the following clause: s. 26 (3),  
amended

(ba) providing for the taxation of costs and prescribing tariffs therefor.

- (2) The said section 26 is amended by adding thereto the following subsection: s. 26,  
amended

(5) Section 82 of *The Judicature Act* applies to the provincial court (family division) and to judges presiding in the court. Costs  
R.S.O. 1970,  
c. 228

3. This Act comes into force on the day it receives Royal Assent. Commence-  
ment
4. The short title of this Act is *The Provincial Courts Amendment Act, 1977*. Short title

An Act to amend  
The Provincial Courts Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

---

THE HON. R. MCMURTRY  
Attorney General

---

(*Government Bill*)

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**BILL 80**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Provincial Courts Act**

THE HON. R. MCMURTRY  
Attorney General



TORONTO

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BILL 80

1977

## An Act to amend The Provincial Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 10 of *The Provincial Courts Act*, being chapter 369 of the Revised Statutes of Ontario, 1970, is repealed <sup>s. 10 (2),  
re-enacted</sup> and the following substituted therefor:
  - (2) The Lieutenant Governor in Council may appoint a <sup>Associate  
chief judges</sup> judge as associate chief judge of the provincial courts (criminal division) and a judge as associate chief judge of the provincial courts (family division).
- 2.—(1) Subsection 3 of section 26 of the said Act is amended by <sup>s. 26 (3),  
amended</sup> adding thereto the following clause:
  - (ba) providing for the taxation of costs and prescribing tariffs therefor.
- (2) The said section 26 is amended by adding thereto the <sup>s. 26,  
amended</sup> following subsection:
  - (5) Section 82 of *The Judicature Act* applies to the provincial court (family division) and to judges presiding in the <sup>Costs  
R.S.O. 1970,  
c. 228</sup> court.
3. This Act comes into force on the day it receives Royal Assent. <sup>Commence-  
ment</sup>
4. The short title of this Act is *The Provincial Courts Amendment Act, 1977*. <sup>Short title</sup>



An Act to amend  
The Provincial Courts Act

---

*1st Reading*

October 25th, 1977

*2nd Reading*

November 1st, 1977

*3rd Reading*

November 1st, 1977

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THE HON. R. McMURTRY  
Attorney General

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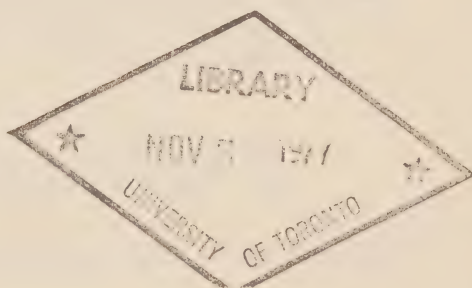
**BILL 81**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Small Claims Courts Act**

THE HON. R. MCMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

(a) the circumstances respecting the misbehaviour or inability are first inquired into; and

(b) the judge is given reasonable notice of the time and place for the inquiry and is afforded an opportunity, by himself or his counsel, of being heard and of cross-examining the witnesses and of producing evidence on his own behalf.

Inquiry

(5) For the purpose of making an inquiry under subsection 4, the Lieutenant Governor in Council may appoint one or more judges of the Supreme Court who shall make the inquiry and report thereon, and a judge so appointed has the powers of a Commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such inquiry as if it were an inquiry under that Act.

1971, c. 49

Order for removal

(6) An order removing a judge from office under this section may be made by the Lieutenant Governor in Council and the order and the report of the inquiry shall be laid before the Legislative Assembly if it is in session or, if not, within fifteen days after the commencement of the next ensuing session.

Retirement

11a.—(1) Every judge appointed under section 11 shall retire upon attaining the age of sixty-five years.

Reappointment

(2) Upon attaining an age for retirement under subsection 1, a judge may be reappointed to hold office during pleasure but shall not hold office after attaining the age of seventy-five years.

Resignation

(3) A judge may at any time resign his office in writing, signed by him and delivered to the Attorney General.

Judicial Council

11b. The Judicial Council for Provincial Judges has the same powers and shall perform the same duties in respect of small claims court judges appointed under section 11 as it has and performs under *The Provincial Courts Act* in respect of provincial judges.

R.S.O. 1970,  
c. 369

s. 18,  
amended

3. Section 18 of the said Act is amended by adding thereto the following subsection:

Referees

(2) The Lieutenant Governor may appoint a referee for each small claims court who shall hold office during pleasure.

SECTION 3. The amendment provides for the appointment of referees who get their powers and duties by regulation provided for in section 20 of this Bill.

SECTION 4. The amendment raises the monetary jurisdiction of small claims courts from \$400 to \$1,000.

SECTION 5. The new provision provides for the awarding of prejudgment interest.

4. Clauses *a* and *b* of section 54 of the said Act are repealed <sup>s. 54 (*a*, *b*),  
re-enacted</sup> and the following substituted therefor:

- (*a*) any action where the amount claimed does not exceed \$1,000 exclusive of interest;
- (*b*) any action of replevin where the value of property distrained, taken or detained does not exceed \$1,000; and

- 5.—(1) The said Act is amended by adding thereto the following <sup>s. 54a,  
enacted</sup> section:

54a.—(1) In this section, “prime rate” means the lowest <sup>Prime  
rate  
defined</sup> rate of interest quoted by chartered banks to the most credit-worthy borrowers for prime business loans, as determined and published by the Bank of Canada.

(2) For the purposes of establishing the prime rate, the <sup>Idem</sup> periodic publication entitled the Bank of Canada Review purporting to be published by the Bank of Canada is admissible in evidence as conclusive proof of the prime rate as set out therein, without further proof of the authenticity of the publication.

(3) Subject to subsection 6, a person who is entitled to a <sup>Prejudgment  
interest</sup> judgment for the payment of money is entitled to claim and have included in the judgment an award of interest thereon,

(*a*) at the prime rate existing for the month preceding the month on which the action was commenced; and

(*b*) calculated,

(i) where the judgment is given upon a liquidated claim, from the date the cause of action arose to the date of judgment, or

(ii) where the judgment is given upon an unliquidated claim, from the date the person entitled gave notice in writing of his claim to the person liable therefor to the date of the judgment.

(4) Where the judgment includes an amount for special <sup>Special  
damages</sup> damages, the interest calculated under subsection 3 shall be calculated on the balance of special damages incurred as totalled at the end of each six month period following the

notice in writing referred to in subclause ii of clause *b* of subsection 3 and at the date of the judgment.

Exclusions

- (5) Interest under this section shall not be awarded,
- (a) on exemplary or punitive damages;
  - (b) on interest accruing under this section;
  - (c) on an award of costs in the action;
  - (d) on that part of the judgment that represents pecuniary loss arising after the date of the judgment and that is identified by a finding of the court;
  - (e) except by consent of the judgment debtor where the judgment is given on consent;
  - (f) where interest is payable by a right other than under this section.

Discretion of judge

- (6) The judge may, where he considers it to be just to do so in all the circumstances,

- (a) disallow interest under this section;
- (b) fix a rate of interest higher or lower than the prime rate;
- (c) allow interest under this section for a period other than that provided,

in respect of the whole or any part of the amount for which judgment is given.

Application of subs. 1

- (2) This section applies to the payment of money under judgments delivered after this section comes into force, but no interest shall be awarded under this section for a period before this section comes into force.

s. 69, repealed

- 6.**—(1) Section 69 of the said Act is repealed.

Application of subs. 1

- (2) Subsection 1 does not apply in respect of actions commenced before subsection 1 comes into force.

s. 96a, enacted

- 7.** The said Act is further amended by adding thereto the following section:

What is admissible in evidence at a hearing

96a.—(1) Subject to subsections 2 and 3, the judge may admit as evidence at a hearing, whether or not given or proven under oath or affirmation or admissible as evidence in the Supreme Court,



SECTION 6. The section repealed permits a creditor to sue in the court where the place of payment is situate. The repeal will require the action to be brought in the division where the cause of action arose or where the defendant resides.

SECTION 7. The provision added permits a judge to adopt less technical procedures in a small claims court. The provision is similar to that provided for by *The Statutory Powers Procedure Act, 1971*.

SECTION 8. The repealed section 98 permits books of account to be admitted in evidence within certain limits.

The repealed section 99 provides for the authorization of affidavit evidence by an unavailable witness.

Both provisions are replaced by the wider latitude as to admissible evidence permitted under section 96*a* as set out in section 7 of this Bill.

SECTION 9. The amendments permit an award of costs for counsel fee where the party was represented by an articulated student.

SECTION 10. The amendment raises the monetary limit for non-appealable cases from under \$200 to under \$500.

SECTION 11. The amendment permits the Chief Justice to direct an appeal from a small claims court to be heard by a single judge of Divisional Court.

(a) any oral testimony; and

(b) any document or other thing,

relevant to the subject-matter of the proceedings and may act on such evidence, but the judge may exclude anything unduly repetitious.

(2) Nothing is admissible in evidence at a hearing,

What is  
inadmissible  
in evidence  
at a  
hearing

(a) that would be inadmissible by reason of any privilege under the law of evidence; or

(b) that is inadmissible by any statute.

(3) Nothing in subsection 1 overrides the provisions of any Act expressly limiting the extent to or purposes for which any oral testimony, documents or things may be admitted or used in evidence in any proceedings.

Conflicts

(4) Where the judge is satisfied as to its authenticity, a copy of a document or other thing may be admitted as evidence at a hearing.

Copies

8. Sections 98 and 99 of the said Act are repealed.

ss. 98, 99,  
repealed

9.—(1) Subsection 1 of section 104 of the said Act is amended by inserting after “solicitor” in the third line “or student articulated to the solicitor”.

s. 104 (1),  
amended

(2) Subsection 2 of the said section 104 is amended by inserting after “solicitor” in the third line “or student articulated to the solicitor”.

s. 104 (2),  
amended

10. Clauses *a* and *b* of subsection 1 of section 108 of the said Act are repealed and the following substituted therefor:

s. 108 (1) (a, b),  
re-enacted

(a) in an action or garnishee proceeding where the sum in dispute exceeds \$500, exclusive of costs;

(b) in interpleader where the money or the value of the goods or chattels claimed or proceeds thereof exceed \$500, or where the damages claimed by or awarded to either party against the other or against a bailiff exceeds the sum of \$300.

11. Subsection 1 of section 112 of the said Act, as amended by the Revised Statutes of Ontario, 1970, chapter 439, section 112, subsection 3, is repealed and the following substituted therefor:

s. 112 (1),  
re-enacted

Appeal

(1) The appeal shall be made in the time and manner prescribed by the rules of court and the Chief Justice of the High Court may, after the appeal is perfected and where it appears to him that no issue of general interest is raised and that expedition and the interests of the parties would be thereby best served, order that the appeal be heard by a single judge of the Divisional Court and a decision of the judge shall be deemed to be a decision of the Divisional Court.

s. 116,  
amended

**12.** Section 116 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 107, section 4, is further amended by adding thereto the following subsection:

Rate of  
interest  
after  
judgment

(2a) The interest payable under subsection 2 shall be at the same rate as may be levied under a writ of execution issued out of the Supreme Court, but a judge may order that no interest is payable in respect of moneys owing under a consolidation order that is not in default.

s. 131 (5),  
amended

**13.**—(1) Subsection 5 of section 131 of the said Act is amended by inserting after “served” in the first line “by mail or, if directed by the judge,”.

s. 131 (7),  
re-enacted

(2) Subsection 7 of the said section 131 is repealed and the following substituted therefor:

Place of  
examination

(7) The examination shall not be held in open court unless the judge is satisfied there is good reason to hold it in public.

s. 132 (2),  
amended

**14.** Subsection 2 of section 132 of the said Act is amended by inserting after “served” in the first line “by mail or, if directed by the judge,”.

s. 135 (1),  
amended

**15.** Subsection 1 of section 135 of the said Act is amended by striking out “registered mail” in the sixth line and inserting in lieu thereof “mail or served personally as directed by the judge”.

s. 151,  
repealed

**16.**—(1) Section 151 of the said Act is repealed.

Application  
of subs. 1

(2) Subsection 1 does not apply in respect of garnishees issued before this section comes into force.

s. 184,  
re-enacted

**17.** Section 184 of the said Act is repealed and the following substituted therefor:

Destruction  
of documents

184. Where books, documents or papers have been preserved in a small claims court for so long that it appears that they need not be preserved any longer, the Chief Judge

SECTION 12. The amendment confines the interest payable after judgment to be the same as currently payable in the Supreme Court. By rule 548, this is now 5 per cent.

SECTION 13.—Subsection 1. The amendment permits service of a summons to a judgment debtor to be by mail while permitting the judge to require service to be personal.

Subsection 2. At present, a judge may direct a judgment debtor examination to be held in public. The amendment requires the judge to have good reason.

SECTION 14. Service of a show cause summons to a judgment debtor is in the same manner as provided for the judgment summons.

SECTION 15. The amendment permits a judge to order personal service of a notice to explain contempt before committed.

★

SECTION 16. The section repealed permits a garnishee to be issued before judgment.

SECTION 17. The amendment gives the Chief Judge of County and District Courts the responsibility for authorizing destruction of court documents rather than the judge of the court and permits disposition other than destruction.

SECTION 18. The provision repealed permits Supreme Court practice to be applied in small claims courts proceedings. The repeal is complementary to section 7 of this Bill.

SECTION 19. The provision repealed prohibits affidavits for use in court from being sworn before, or in the office of, the agent of a party to the action.

SECTION 20. The amendments authorize regulations setting out the duties, responsibilities and functions of referees. The authority to make regulations for the payment of fees and for employing court officials under *The Public Service Act* is extended to apply to referees in the same way as to court clerks. Provision is also made for the remuneration and benefits of small claims court judges to be fixed by regulation in the same manner as for provincial judges.

SECTION 21. The Part repealed provides for extended monetary jurisdiction in the districts. The repeal permits the present extended jurisdiction of \$1,000 to continue, being the new limit enacted in section 4 of this Bill.

of the County and District Courts may make an order authorizing the Inspector to cause their destruction or other disposition.

18. Subsection 1 of section 190 of the said Act is repealed. s. 190 (1),  
repealed
19. Subsection 2 of section 193 of the said Act is repealed. s. 193 (2),  
repealed
- 20.—(1) Clause *aa* of subsection 1 of section 195 of the said Act, s. 195 (1) (*aa*),  
amended as enacted by the Statutes of Ontario, 1972, chapter 107, section 7, is amended by inserting after “clerks” in the first line “referees”.
- (2) Clause *b* of subsection 1 of the said section 195 is s. 195 (1) (*b*),  
amended amended by inserting after “clerks” in the first line “referees”.
- (3) Subsection 1 of the said section 195, as amended by the s. 195 (1),  
amended Statutes of Ontario, 1972, chapter 107, section 7, is further amended by adding thereto the following clauses:
  - (*da*) prescribing the duties, responsibilities and functions of referees;
  - (*db*) fixing the remuneration of judges appointed under section 11 and providing for the benefits to which such judges are entitled, including,
    - (i) leave of absence and vacations,
    - (ii) sick leave credits and payments in respect of such credits,
    - (iii) pension benefits for judges and their widows and surviving children,and for the transfer or other disposition of benefits in respect thereof to which persons appointed as judges under section 11 were entitled under *The Public Service Act* or *The Public Service Superannuation Act* at the time of their appointment under section 11. R.S.O. 1970,  
cc. 386, 387
21. Part II of the said Act, as amended by the Revised Statutes Part II  
(ss. 196-198),  
repealed of Ontario, 1970, chapter 439, section 197, subsection 3, is repealed.
22. This Act comes into force on the day it receives Royal Assent. Commence-  
ment
23. The short title of this Act is *The Small Claims Courts Amendment Act, 1977*. Short title



An Act to amend  
The Small Claims Courts Act

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*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. R. McMURTRY  
Attorney General

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(*Government Bill*)

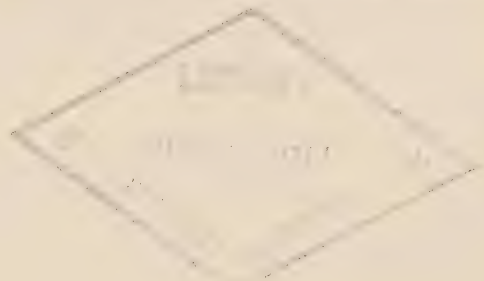


**BILL 81**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Small Claims Courts Act**

THE HON. R. MCMURTRY  
Attorney General



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



## An Act to amend The Small Claims Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Small Claims Courts Act*, <sup>s. 1 (1), amended</sup> being chapter 439 of the Revised Statutes of Ontario, 1970, is amended by adding thereto the following clause:

(1a) "registered mail" includes certified mail where evidence of delivery is returned to the sender.

2. Section 11 of the said Act is repealed and the following substituted therefor: <sup>s. 11, re-enacted</sup>

11.—(1) The Lieutenant Governor in Council on the recommendation of the Attorney General may appoint such small claims court judges as are considered necessary. <sup>Appointment of judges</sup>

(2) Every judge appointed under this section shall take <sup>Oath</sup> and subscribe the following oath before the Chief Judge of the County and District Courts or a judge designated by him:

I, .....  
do swear that I will truly and faithfully, according to my skill and knowledge, execute the several duties, powers and trusts of the Small Claims Courts, so help me God.

and also the oath of allegiance as required by *The Public Officers Act*. <sup>R.S.O. 1970, c. 382</sup>

(3) The oath of office and oath of allegiance shall be <sup>Filing of oaths</sup> transmitted forthwith to the Inspector of Legal Offices and shall be filed in his office.

(4) A judge appointed under this section may be removed <sup>Removal for cause</sup> from office before attaining retirement age only for misbehaviour or for inability to perform his duties properly and only if,

- (a) the circumstances respecting the misbehaviour or inability are first inquired into; and
- (b) the judge is given reasonable notice of the time and place for the inquiry and is afforded an opportunity, by himself or his counsel, of being heard and of cross-examining the witnesses and of producing evidence on his own behalf.

## Inquiry

1971, c. 49

(5) For the purpose of making an inquiry under subsection 4, the Lieutenant Governor in Council may appoint one or more judges of the Supreme Court who shall make the inquiry and report thereon, and a judge so appointed has the powers of a Commission under Part II of *The Public Inquiries Act, 1971*, which Part applies to such inquiry as if it were an inquiry under that Act.

## Order for removal

(6) An order removing a judge from office under this section may be made by the Lieutenant Governor in Council and the order and the report of the inquiry shall be laid before the Legislative Assembly if it is in session or, if not, within fifteen days after the commencement of the next ensuing session.

## Retirement

11a.—(1) Every judge appointed under section 11 shall retire upon attaining the age of sixty-five years.

## Reappointment

(2) Upon attaining an age for retirement under subsection 1, a judge may be reappointed to hold office during pleasure but shall not hold office after attaining the age of seventy-five years.

## Resignation

(3) A judge may at any time resign his office in writing, signed by him and delivered to the Attorney General.

## Judicial Council

R.S.O. 1970,  
c. 369

11b. The Judicial Council for Provincial Judges has the same powers and shall perform the same duties in respect of small claims court judges appointed under section 11 as it has and performs under *The Provincial Courts Act* in respect of provincial judges.

s.18,  
amended

- 3.** Section 18 of the said Act is amended by adding thereto the following subsection:

## Referees

(2) The Lieutenant Governor may appoint a referee for each small claims court who shall hold office during pleasure.

4. Clauses *a* and *b* of section 54 of the said Act are repealed <sup>s. 54 (a, b),</sup> and the following substituted therefor: <sup>re-enacted</sup>

(a) any action where the amount claimed does not exceed \$1,000 exclusive of interest;

(b) any action of replevin where the value of property distrained, taken or detained does not exceed \$1,000; and

- 5.—(1) The said Act is amended by adding thereto the following <sup>s. 54a,</sup> section: <sup>enacted</sup>

54a.—(1) In this section, “prime rate” means the lowest <sup>Prime</sup> rate of interest quoted by chartered banks to the most credit- <sup>rate</sup> worthy borrowers for prime business loans, as determined and published by the Bank of Canada. <sup>defined</sup>

(2) For the purposes of establishing the prime rate, the <sup>Idem</sup> periodic publication entitled the Bank of Canada Review purporting to be published by the Bank of Canada is admissible in evidence as conclusive proof of the prime rate as set out therein, without further proof of the authenticity of the publication.

(3) Subject to subsection 6, a person who is entitled to a <sup>Prejudgment</sup> judgment for the payment of money is entitled to claim and <sup>interest</sup> have included in the judgment an award of interest thereon,

(a) at the prime rate existing for the month preceding the month on which the action was commenced; and

(b) calculated,

(i) where the judgment is given upon a liquidated claim, from the date the cause of action arose to the date of judgment, or

(ii) where the judgment is given upon an unliquidated claim, from the date the person entitled gave notice in writing of his claim to the person liable therefor to the date of the judgment.

(4) Where the judgment includes an amount for special <sup>Special</sup> damages, the interest calculated under subsection 3 shall be <sup>damages</sup> calculated on the balance of special damages incurred as totalled at the end of each six month period following the

notice in writing referred to in subclause ii of clause *b* of subsection 3 and at the date of the judgment.

Exclusions

- (5) Interest under this section shall not be awarded,
- (a) on exemplary or punitive damages;
  - (b) on interest accruing under this section;
  - (c) on an award of costs in the action;
  - (d) on that part of the judgment that represents pecuniary loss arising after the date of the judgment and that is identified by a finding of the court;
  - (e) except by consent of the judgment debtor where the judgment is given on consent;
  - (f) where interest is payable by a right other than under this section.

Discretion of judge

- (6) The judge may, where he considers it to be just to do so in all the circumstances,
- (a) disallow interest under this section;
  - (b) fix a rate of interest higher or lower than the prime rate;
  - (c) allow interest under this section for a period other than that provided,

in respect of the whole or any part of the amount for which judgment is given.

Application of subs. 1

- (2) This section applies to the payment of money under judgments delivered after this section comes into force, but no interest shall be awarded under this section for a period before this section comes into force.

s. 69, repealed

**6.—**(1) Section 69 of the said Act is repealed.

Application of subs. 1

- (2) Subsection 1 does not apply in respect of actions commenced before subsection 1 comes into force.

s. 96a, enacted

**7.** The said Act is further amended by adding thereto the following section:

What is admissible in evidence at a hearing

**96a.—**(1) Subject to subsections 2 and 3, the judge may admit as evidence at a hearing, whether or not given or proven under oath or affirmation or admissible as evidence in the Supreme Court,



(a) any oral testimony; and

(b) any document or other thing,

relevant to the subject-matter of the proceedings and may act on such evidence, but the judge may exclude anything unduly repetitious.

(2) Nothing is admissible in evidence at a hearing,

What is  
inadmissible  
in evidence  
at a  
hearing

(a) that would be inadmissible by reason of any privilege under the law of evidence; or

(b) that is inadmissible by any statute.

(3) Nothing in subsection 1 overrides the provisions of any Act expressly limiting the extent to or purposes for which any oral testimony, documents or things may be admitted or used in evidence in any proceedings.

Conflicts

(4) Where the judge is satisfied as to its authenticity, a copy of a document or other thing may be admitted as evidence at a hearing.

Copies

**8.** Sections 98 and 99 of the said Act are repealed.

ss. 98, 99,  
repealed

**9.—(1)** Subsection 1 of section 104 of the said Act is amended by inserting after “solicitor” in the third line “or student articulated to the solicitor”.

s. 104 (1),  
amended

(2) Subsection 2 of the said section 104 is amended by inserting after “solicitor” in the third line “or student articulated to the solicitor”.

s. 104 (2),  
amended

**10.** Clauses *a* and *b* of subsection 1 of section 108 of the said Act are repealed and the following substituted therefor:

s. 108 (1) (a, b),  
re-enacted

(a) in an action or garnishee proceeding where the sum in dispute exceeds \$500, exclusive of costs;

(b) in interpleader where the money or the value of the goods or chattels claimed or proceeds thereof exceed \$500, or where the damages claimed by or awarded to either party against the other or against a bailiff exceeds the sum of \$300.

**11.** Subsection 1 of section 112 of the said Act, as amended by the Revised Statutes of Ontario, 1970, chapter 439, section 112, subsection 3, is repealed and the following substituted therefor:

s. 112 (1),  
re-enacted

Appeal

(1) The appeal shall be made in the time and manner prescribed by the rules of court and the Chief Justice of the High Court may, after the appeal is perfected and where it appears to him that no issue of general interest is raised and that expedition and the interests of the parties would be thereby best served, order that the appeal be heard by a single judge of the Divisional Court and a decision of the judge shall be deemed to be a decision of the Divisional Court.

s. 116,  
amended

- 12.** Section 116 of the said Act, as amended by the Statutes of Ontario, 1972, chapter 107, section 4, is further amended by adding thereto the following subsection:

Rate of  
interest  
after  
judgment

(2a) The interest payable under subsection 2 shall be at the same rate as may be levied under a writ of execution issued out of the Supreme Court, but a judge may order that no interest is payable in respect of moneys owing under a consolidation order that is not in default.

s. 131 (5),  
amended

- 13.—**(1) Subsection 5 of section 131 of the said Act is amended by inserting after “served” in the first line “by mail or, if directed by the judge,”.

s. 131 (7),  
re-enacted

(2) Subsection 7 of the said section 131 is repealed and the following substituted therefor:

Place of  
examination

(7) The examination shall not be held in open court unless the judge is satisfied there is good reason to hold it in public.

s. 132 (2),  
amended

- 14.** Subsection 2 of section 132 of the said Act is amended by inserting after “served” in the first line “by mail or, if directed by the judge,”.

s. 135 (1),  
amended

- 15.** Subsection 1 of section 135 of the said Act is amended by striking out “registered mail” in the sixth line and inserting in lieu thereof “mail or served personally as directed by the judge”.

s. 151,  
repealed

- 16.—**(1) Section 151 of the said Act is repealed.

Application  
of subs. 1

(2) Subsection 1 does not apply in respect of garnishees issued before this section comes into force.

s. 184,  
re-enacted

- 17.** Section 184 of the said Act is repealed and the following substituted therefor:

Destruction  
of documents

184. Where books, documents or papers have been preserved in a small claims court for so long that it appears that they need not be preserved any longer, the Chief Judge



of the County and District Courts may make an order authorizing the Inspector to cause their destruction or other disposition.

18. Subsection 1 of section 190 of the said Act is repealed. s. 190 (1),  
repealed
19. Subsection 2 of section 193 of the said Act is repealed. s. 193 (2),  
repealed
- 20.—(1) Clause *aa* of subsection 1 of section 195 of the said Act, s. 195 (1) (*aa*),  
amended  
as enacted by the Statutes of Ontario, 1972, chapter 107, section 7, is amended by inserting after “clerks” in the first line “referees”.
- (2) Clause *b* of subsection 1 of the said section 195 is s. 195 (1) (*b*),  
amended  
amended by inserting after “clerks” in the first line “referees”.
- (3) Subsection 1 of the said section 195, as amended by the s. 195 (1),  
amended  
Statutes of Ontario, 1972, chapter 107, section 7, is further amended by adding thereto the following clauses:
  - (*da*) prescribing the duties, responsibilities and functions of referees;
  - (*db*) fixing the remuneration of judges appointed under section 11 and providing for the benefits to which such judges are entitled, including,
    - (i) leave of absence and vacations,
    - (ii) sick leave credits and payments in respect of such credits,
    - (iii) pension benefits for judges and their widows and surviving children,

and for the transfer or other disposition of benefits in respect thereof to which persons appointed as judges under section 11 were entitled under *The Public Service Act* or *The Public Service Superannuation Act* at the time of their appointment under section 11. R.S.O. 1970,  
cc. 386, 387
21. Part II of the said Act, as amended by the Revised Statutes Part II  
(ss. 196-198),  
repealed  
of Ontario, 1970, chapter 439, section 197, subsection 3, is repealed.
22. This Act comes into force on the day it receives Royal Assent. Commence-  
ment
23. The short title of this Act is *The Small Claims Courts Amendment Act, 1977*. Short title





An Act to amend  
The Small Claims Courts Act

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*1st Reading*

October 25th, 1977

*2nd Reading*

November 1st, 1977

*3rd Reading*

November 8th, 1977

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THE HON. R. MCMURTRY  
Attorney General

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**BILL 82**

**Private Member's Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Ontario Food Terminal Act**

MR. POPE



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The purpose of this Bill is to authorize the Ontario Food Terminal Board to establish a branch operation in the Territorial District of Cochrane.

BILL 82

1977

## An Act to amend The Ontario Food Terminal Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *g* of section 1 of *The Ontario Food Terminal Act*, being chapter 313 of the Revised Statutes of Ontario, 1970, is <sup>s. 1 (g),</sup> re-enacted repealed and the following substituted therefor:

(g) "Terminal" means the Ontario Food Terminal and includes all branches thereof.

2. Clause *a* of subsection 1 of section 4 of the said Act is repealed <sup>s. 4 (1) (a),</sup> re-enacted and the following substituted therefor:

(a) to acquire, construct, equip and operate a wholesale fruit and produce market to be known as the Ontario Food Terminal and to operate branches thereof in The Municipality of Metropolitan Toronto or Regional Municipality of York and the Territorial District of Cochrane and to acquire and operate such facilities for the transportation and handling of fruit and produce as may be necessary for the purposes of the Terminal; and

3. Subsection 2 of section 12 of the said Act is repealed and the <sup>s. 12 (2),</sup> re-enacted following substituted therefor:

(2) No person shall establish or operate within the Territorial District of Cochrane any market for the sale by wholesale of fruit and vegetables except with the approval of the Board, but this section does not apply to any such market that was being regularly and continuously operated on the day *The Ontario Food Terminal Amendment Act, 1977*, comes into force so long as it is not extended or enlarged.

Markets  
in  
Cochrane

Interpre-  
tation

(3) In subsections 1 and 2, the expression “any market for the sale by wholesale of fruit and vegetables” includes any premises at which fruit or vegetables are purchased for resale.

Commence-  
ment

4. This Act comes into force on the day it receives Royal Assent.

Short title

5. The short title of this Act is *The Ontario Food Terminal Amendment Act, 1977*.









An Act to amend  
The Ontario Food Terminal Act

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*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

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MR. POPE

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*(Private Member's Bill)*

**BILL 83**

**Private Member's Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Employment Standards Act, 1974**

MR. BREAGH



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The purpose of the Bill is to extend the protection for accrued wages, overtime pay and termination pay under *The Employment Standards Act, 1974*.

BILL 83

1977

**An Act to amend  
The Employment Standards Act, 1974**

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 14 of *The Employment Standards Act, 1974*, being chapter 112, is repealed. s. 14,  
repealed
2. Section 15 of the said Act is repealed and the following substituted therefor: s. 15,  
re-enacted

15.—(1) Every employer shall be deemed to hold wages, vacation pay and termination pay accruing due to an employee in trust for the employee and all such amounts shall be kept by the employer separate and apart from his own moneys. Wages, etc.,  
deemed  
to be held  
in trust

(2) Where an employer contravenes subsection 1 and the amounts deemed to be held in trust for an employee are not kept separate and apart by the employer, the amounts have priority to the claims or rights of all secured, preferred and ordinary or general creditors of the employer including the claims or rights of the Crown. Idem
3. This Act comes into force on the day it receives Royal Assent. Commence-  
ment
4. The short title of this Act is *The Employment Standards Amendment Act, 1977*. Short title

An Act to amend  
The Employment Standards Act, 1974

*1st Reading*

October 25th, 1977

*2nd Reading*

*3rd Reading*

MR. BREUGH

*(Private Member's Bill)*



**BILL 84**

**Government Bill**

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

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**An Act to amend The Public Transportation and  
Highway Improvement Act**

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THE HON. J. W. SNOW  
Minister of Transportation and Communications

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## EXPLANATORY NOTES

SECTION 1. Section 20 of the Act, as recast, reads as follows:

- (20) *The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement for the preparation of a report on the whole or any part of the transportation or highway system required to meet the needs of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the report.*

The words underlined have been added to make clear that any reports made pursuant to the section may deal with highway systems.

Subsection 2 has been added to section 20 of the Act to authorize the Minister and municipalities to enter into agreements in respect of experimental projects and it also permits payment of 75 per cent of the cost by the Crown.

SECTION 2. Section 22 (1) of the Act presently reads as follows:

- (1) *Where the Minister or a person authorized by him considers it advisable to change the grade or make other alterations upon a highway intersecting or affording access to the King's Highway or giving access to private property, the cost of the changes so made shall be deemed to be part of the cost of the construction of the King's Highway.*

The provision, as recast, permits the Minister to relocate or alter a road giving access to a highway with the consent of the authority or person having jurisdiction over the road. The cost of any changes would be deemed to be a cost of construction of the King's Highway.

Section 30 of the Act provides that the Ministry is responsible for the maintenance and repair of the King's Highway and also deals with Ministry liability in the event of damage caused by negligence.

BILL 84

1977

## An Act to amend The Public Transportation and Highway Improvement Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 20 of *The Public Transportation and Highway Improvement Act*, being chapter 201 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 20,  
re-enacted

20.—(1) The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement for the preparation of a report on the whole or any part of the transportation or highway system required to meet the needs of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the report. Trans-  
portation  
needs study  
report

(2) The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement to provide all or any part of an experimental or demonstration project related to the transportation or highway system of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the project. Trans-  
portation  
experimental  
project

2. Subsection 1 of section 22 of the said Act is repealed and the following substituted therefor: s. 22 (1),  
re-enacted

(1) The Minister, with the consent of the authority or person having jurisdiction and control over the road, may relocate, alter or divert any public or private road entering or touching upon or giving access to a highway under the jurisdiction and control of the Minister. Relocation,  
etc., of  
approaches  
to highway

(1a) The cost of the changes made pursuant to subsection 1 shall be deemed to be part of the cost of the con- During  
repairs road  
deemed to  
be King's  
Highway

struction of the King's Highway and during the period when the changes are being made that portion of the road being relocated, altered or diverted shall be deemed to be a King's Highway for the purposes of section 30.

s. 24,  
amended

3. Section 24 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 67, section 9, is further amended by adding thereto the following subsection:

Agreement  
for road  
construction

(1a) The Minister may enter into agreements to construct and maintain roads for and on behalf of a Minister of the Crown, an agency of the Crown or Ontario Hydro.

s. 30 (9),  
re-enacted

4. Subsection 9 of section 30 of the said Act is repealed and the following substituted therefor:

Action to  
be tried  
without jury

(9) An action against the Crown under this section shall be tried by a judge without the intervention of a jury, and the trial shall take place in the county in which the default occurred unless otherwise ordered upon an application by any party.

s. 41 (1),  
amended

5. Subsection 1 of section 41 of the said Act is amended by inserting after "roads" in the fifth line "between the county and a region,".

s. 86 (1),  
re-enacted

6. Subsection 1 of section 86 of the said Act is repealed and the following substituted therefor:

Arrange-  
ments for  
construction  
or  
maintenance

(1) The Minister may arrange with,

(a) the Government of Canada;

R.S.O. 1970,  
c. 256

(b) the local roads board elected under *The Local Roads Boards Act*;

R.S.O. 1970,  
c. 445

(c) the roads commissioners elected under *The Statute Labour Act*; or

(d) a person who is the owner of land,

for the construction or maintenance of a road in territory without municipal organization, and the Minister may direct payment out of moneys appropriated therefor by the Legislature of an amount equal to such proportion of the cost of the work as he considers requisite.

s. 91a (2),  
amended

- 7.—(1) Subsection 2 of section 91a of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 67, section 22,

SECTION 3. The provision is self-explanatory.

SECTION 4. The provision presently provides that all actions commenced pursuant to section 30 shall take place in the county in which the accident occurred. The provision as recast permits any party to the action to apply for an order changing the venue.

SECTION 5. The provision, as amended, reads as follows:

- (1) *A county may by by-law adopt a plan of county road construction and maintenance and establish a county road system by designating the roads in any municipality in the county that are to form the system and may include in the system such boundary-line roads between the county and a region, between the county and any other county or between the county and a city or separated town as are agreed upon by the municipalities interested.*

The words underlined are the words being added.

SECTION 6. The provision, as recast, includes the Government of Canada as a party with whom the Minister may arrange for construction or maintenance of roads in territory without municipal organization.

The provision has been slightly reworded to make clear that it applies only in territories without municipal organization.

SECTION 7.—Subsection 1. The provision as amended would read as follows:

- (2) *The Minister and a municipality or other person may enter into an agreement to establish, acquire, construct, operate and maintain ferries and to acquire lands, equipment and machinery necessary and incidental thereto.*

The words underlined are the ones being added.

Subsection 2. The provision presently reads as follows :

- (3) *The Minister may pay to a municipality the whole or part of expenditures by the municipality to establish, acquire, construct, operate and maintain ferries and to acquire lands, equipment and machinery necessary and incidental thereto.*

The words underlined are the ones being deleted.

The amendments are complementary and serve to permit the Minister to enter into agreements to establish and operate ferry services with authorities other than municipalities.

is amended by inserting after "municipality" in the first line "or other person".

- (2) Subsection 3 of the said section 91a is amended by <sup>s. 91a (3),</sup> striking out "to a municipality" in the first line and by <sup>amended</sup> striking out "by the municipality" in the second line.

8. This Act comes into force on the day it receives Royal Assent. <sup>Commence-</sup>  
ment
9. The short title of this Act is *The Public Transportation and* <sup>Short title</sup>  
*Highway Improvement Amendment Act, 1977.*



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An Act to amend  
The Public Transportation and  
Highway Improvement Act

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*1st Reading*

October 27th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. J. W. SNOW  
Minister of Transportation and  
Communications

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*(Government Bill)*

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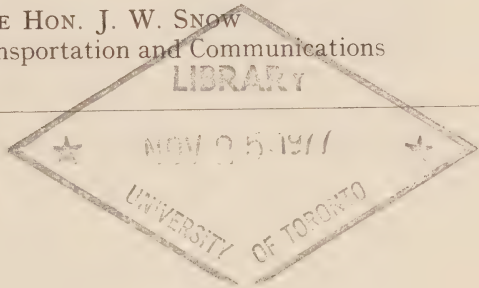


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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Public Transportation and  
Highway Improvement Act**

THE HON. J. W. SNOW  
Minister of Transportation and Communications



*(Reprinted as amended by the Committee of the Whole House)*

## EXPLANATORY NOTES

SECTION 1. Section 20 of the Act, as recast, reads as follows:

- (20) *The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement for the preparation of a report on the whole or any part of the transportation or highway system required to meet the needs of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the report.*

The words underlined have been added to make clear that any reports made pursuant to the section may deal with highway systems.

Subsection 2 has been added to section 20 of the Act to authorize the Minister and municipalities to enter into agreements in respect of experimental projects and it also permits payment of 75 per cent of the cost by the Crown.

SECTION 2. Section 22 (1) of the Act presently reads as follows:

- (1) *Where the Minister or a person authorized by him considers it advisable to change the grade or make other alterations upon a highway intersecting or affording access to the King's Highway or giving access to private property, the cost of the changes so made shall be deemed to be part of the cost of the construction of the King's Highway.*

The provision, as recast, permits the Minister to relocate or alter a road giving access to a highway with the consent of the authority or person having jurisdiction over the road. The cost of any changes would be deemed to be a cost of construction of the King's Highway.

Section 30 of the Act provides that the Ministry is responsible for the maintenance and repair of the King's Highway and also deals with Ministry liability in the event of damage caused by negligence.

BILL 84

1977

## An Act to amend The Public Transportation and Highway Improvement Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 20 of *The Public Transportation and Highway Improvement Act*, being chapter 201 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 20,  
re-enacted

20.—(1) The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement for the preparation of a report on the whole or any part of the transportation or highway system required to meet the needs of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the report. Trans-  
portation  
needs study  
report

(2) The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement to provide all or any part of an experimental or demonstration project related to the transportation or highway system of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the project. Trans-  
portation  
experimental  
project

2. Subsection 1 of section 22 of the said Act is repealed and the following substituted therefor: s. 22 (1),  
re-enacted

(1) The Minister, with the consent of the authority or person having jurisdiction and control over the road, may relocate, alter or divert any public or private road entering or touching upon or giving access to a highway under the jurisdiction and control of the Minister. Relocation,  
etc., of  
approaches  
to highway

(1a) The cost of the changes made pursuant to subsection 1 shall be deemed to be part of the cost of the con- During  
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Highway

struction of the King's Highway and during the period when the changes are being made that portion of the road being relocated, altered or diverted shall be deemed to be a King's Highway for the purposes of section 30.

s. 24,  
amended

- 3.** Section 24 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 67, section 9, is further amended by adding thereto the following subsection:

Agreement  
for road  
construction

(1a) The Minister may enter into agreements to construct and maintain roads for and on behalf of a Minister of the Crown, an agency of the Crown or Ontario Hydro.

s. 30 (9),  
re-enacted

- 4.** Subsection 9 of section 30 of the said Act is repealed and the following substituted therefor:

Action to  
be tried  
without jury

(9) An action against the Crown under this section shall be tried by a judge without the intervention of a jury, and the trial shall take place in the county in which the default occurred unless otherwise ordered upon an application by any party.

s. 41 (1),  
amended

- 5.** Subsection 1 of section 41 of the said Act is amended by inserting after "roads" in the fifth line "between the county and a region,".

s. 86 (1),  
re-enacted

- 6.** Subsection 1 of section 86 of the said Act is repealed and the following substituted therefor:

Arrange-  
ments for  
construction  
or  
maintenance

(1) The Minister may arrange with,

(a) the Government of Canada;

R.S.O. 1970.  
c. 256

(b) the local roads board elected under *The Local Roads Boards Act*;

R.S.O. 1970.  
c. 445

(c) the roads commissioners elected under *The Statute Labour Act*; or

(d) a person who is the owner of land,

for the construction or maintenance of a road in territory without municipal organization, and the Minister may direct payment out of moneys appropriated therefor by the Legislature of an amount equal to such proportion of the cost of the work as he considers requisite.

s. 91a (2),  
amended

- 7.—(1)** Subsection 2 of section 91a of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 67, section 22,

SECTION 3. The provision is self-explanatory.

SECTION 4. The provision presently provides that all actions commenced pursuant to section 30 shall take place in the county in which the accident occurred. The provision as recast permits any party to the action to apply for an order changing the venue.

SECTION 5. The provision, as amended, reads as follows:

- (1) *A county may by by-law adopt a plan of county road construction and maintenance and establish a county road system by designating the roads in any municipality in the county that are to form the system and may include in the system such boundary-line roads between the county and a region, between the county and any other county or between the county and a city or separated town as are agreed upon by the municipalities interested.*

The words underlined are the words being added.

SECTION 6. The provision, as recast, includes the Government of Canada as a party with whom the Minister may arrange for construction or maintenance of roads in territory without municipal organization.

The provision has been slightly reworded to make clear that it applies only in territories without municipal organization.

SECTION 7.—Subsection 1. The provision as amended would read as follows:

- (2) *The Minister and a municipality or other person may enter into an agreement to establish, acquire, construct, operate and maintain ferries and to acquire lands, equipment and machinery necessary and incidental thereto.*

The words underlined are the ones being added.

Subsection 2. The provision presently reads as follows :

- (3) *The Minister may pay to a municipality the whole or part of expenditures by the municipality to establish, acquire, construct, operate and maintain ferries and to acquire lands, equipment and machinery necessary and incidental thereto.*

The amendments are complementary and serve to permit the Minister to enter into agreements to establish and operate ferry services with authorities other than municipalities.

is amended by inserting after "municipality" in the first line "or other person".



- (2) Subsection 3 of the said section 91*a* is amended by striking out "to a municipality" in the first line and by striking out "by the municipality" in the second line and inserting in lieu thereof "pursuant to an agreement under subsection 2".

s. 91*a* (3),  
amended



8. This Act comes into force on the day it receives Royal Assent.
9. The short title of this Act is *The Public Transportation and Highway Improvement Amendment Act, 1977*.

Commence-  
ment

Short title

An Act to amend  
The Public Transportation and  
Highway Improvement Act

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*1st Reading*

October 27th, 1977

*2nd Reading*

November 8th, 1977

*3rd Reading*

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THE HON. J. W. SNOW  
Minister of Transportation and  
Communications

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*(Reprinted as amended by the  
Committee of the Whole House)*

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**BILL 84**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Public Transportation and  
Highway Improvement Act**

THE HON. J. W. SNOW  
Minister of Transportation and Communications

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



BILL 84

1977

## An Act to amend The Public Transportation and Highway Improvement Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 20 of *The Public Transportation and Highway Improvement Act*, being chapter 201 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor: s. 20.  
re-enacted

20.—(1) The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement for the preparation of a report on the whole or any part of the transportation or highway system required to meet the needs of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the report. Trans-  
portation  
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(2) The Minister and any municipality, including a district, metropolitan or regional municipality, may enter into an agreement to provide all or any part of an experimental or demonstration project related to the transportation or highway system of the municipality and the Minister may direct payment out of moneys appropriated therefor by the Legislature of a sum not exceeding 75 per cent of the cost of the project. Trans-  
portation  
experimental  
project

2. Subsection 1 of section 22 of the said Act is repealed and the following substituted therefor: s. 22 (1),  
re-enacted

(1) The Minister, with the consent of the authority or person having jurisdiction and control over the road, may relocate, alter or divert any public or private road entering or touching upon or giving access to a highway under the jurisdiction and control of the Minister. Relocation,  
etc., of  
approaches  
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(1a) The cost of the changes made pursuant to subsection 1 shall be deemed to be part of the cost of the con- During  
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Highway

struction of the King's Highway and during the period when the changes are being made that portion of the road being relocated, altered or diverted shall be deemed to be a King's Highway for the purposes of section 30.

s. 24.  
amended

3. Section 24 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 67, section 9, is further amended by adding thereto the following subsection:

Agreement  
for road  
construction

(1a) The Minister may enter into agreements to construct and maintain roads for and on behalf of a Minister of the Crown, an agency of the Crown or Ontario Hydro.

s. 30 (9),  
re-enacted

4. Subsection 9 of section 30 of the said Act is repealed and the following substituted therefor:

Action to  
be tried  
without jury

(9) An action against the Crown under this section shall be tried by a judge without the intervention of a jury, and the trial shall take place in the county in which the default occurred unless otherwise ordered upon an application by any party.

s. 41 (1),  
amended

5. Subsection 1 of section 41 of the said Act is amended by inserting after "roads" in the fifth line "between the county and a region,".

s. 86 (1),  
re-enacted

6. Subsection 1 of section 86 of the said Act is repealed and the following substituted therefor:

Arrange-  
ments for  
construction  
or  
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(1) The Minister may arrange with,

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R.S.O. 1970.  
c. 256

(b) the local roads board elected under *The Local Roads Boards Act*;

R.S.O. 1970.  
c. 445

(c) the roads commissioners elected under *The Statute Labour Act*; or

(d) a person who is the owner of land,

for the construction or maintenance of a road in territory without municipal organization, and the Minister may direct payment out of moneys appropriated therefor by the Legislature of an amount equal to such proportion of the cost of the work as he considers requisite.

s. 91a (2),  
amended

- 7.—(1) Subsection 2 of section 91a of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 67, section 22,

is amended by inserting after "municipality" in the first line "or other person".

- (2) Subsection 3 of the said section 91a is amended by striking <sup>s. 91a (3),</sup> out "to a municipality" in the first line and by striking out <sup>amended</sup> "by the municipality" in the second line and inserting in lieu thereof "pursuant to an agreement under subsection 2".
8. This Act comes into force on the day it receives Royal Assent. <sup>Commence-</sup>  
<sup>ment</sup>
9. The short title of this Act is *The Public Transportation and* <sup>Short title</sup>  
*Highway Improvement Amendment Act, 1977.*





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An Act to amend  
The Public Transportation and  
Highway Improvement Act

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*1st Reading*

October 27th, 1977

*2nd Reading*

November 8th, 1977

*3rd Reading*

November 8th, 1977

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THE HON. J. W. SNOW  
Minister of Transportation and  
Communications

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**BILL 85**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Highway Traffic Act**

THE HON. J. W. SNOW  
Minister of Transportation and Communications



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

SECTION 1. Certain medical information is required before certain classes of drivers' licences may be issued. The subsection being enacted makes clear that any such information filed is privileged and not open to public inspection.

SECTION 2. Section 15 (2) of the Act presently reads as follows:

*(2) Section 13 and any regulation made thereunder do not apply to a person for thirty days after he has become a resident of Ontario if during such period he holds a subsisting driver's licence in accordance with the laws of the province, country or state of which he was a resident immediately before becoming a resident of Ontario.*

Section 13 of the Act prohibits the driving of a motor vehicle on a highway without a driver's licence issued under the Act.

SECTION 3. Section 18 of the Act is re-enacted to prohibit persons under the age of 16 from driving or being permitted to drive a self-propelled implement of husbandry on a highway.

This section in its present form does not refer to self-propelled implements of husbandry.

BILL 85

1977

## An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 13 of *The Highway Traffic Act*, being chapter 202 of <sup>s. 13.</sup> the Revised Statutes of Ontario, 1970, as re-enacted by the <sup>amended</sup> Statutes of Ontario, 1973, chapter 167, section 4, and amended by 1974, chapter 123, section 3, is further amended by adding thereto the following subsection:

(7) Documents filed with the Ministry relating to mental <sup>Documents</sup> and physical, including ophthalmic and auditory, examina- <sup>privileged</sup> tions pursuant to this section are privileged for the information of the Ministry only and shall not be open for public inspection.

2. Subsection 2 of section 15 of the said Act, as amended by the <sup>s. 15 (2).</sup> Statutes of Ontario, 1973, chapter 167, section 5, is further <sup>amended</sup> amended by striking out "thirty" in the second line and inserting in lieu thereof "sixty".

3. Section 18 of the said Act, as amended by the Statutes of <sup>s. 18.</sup> Ontario, 1973, chapter 45, section 8, is repealed and the follow- <sup>re-enacted</sup> ing substituted therefor:

18.—(1) No person under the age of sixteen years shall <sup>Drivers</sup> drive or operate a motor vehicle, road-building machine, <sup>under 16</sup> self-propelled implement of husbandry or farm tractor on a <sup>prohibited</sup> highway.

(2) No person shall employ or permit anyone under the <sup>Employment</sup> age of sixteen years to drive or operate a motor vehicle, <sup>of drivers</sup> road-building machine, self-propelled implement of husbandry <sup>under 16</sup> or farm tractor on a highway. <sup>prohibited</sup>

(3) Subsections 1 and 2 do not apply in respect of the <sup>Exception</sup> driving or operating of a self-propelled implement of husbandry or farm tractor directly across a highway.

s. 20 (1),  
re-enacted

4. Subsection 1 of section 20 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 37, section 3, is repealed and the following substituted therefor:

Suspension  
on conviction  
for certain  
offences  
R.S.C. 1970.  
c. C-34

(1) The driver's licence of a person who is convicted of an offence under section 203, 204 or 219 of the *Criminal Code* (Canada) committed by means of a motor vehicle as defined in this Act or of an offence under section 233, 234 or 236 of the *Criminal Code* (Canada) committed while driving or having the care or control of a motor vehicle as defined in this Act or of an offence under section 234.1 or 235 of the *Criminal Code* (Canada) committed in relation to the driving or care or control of a motor vehicle as defined in this Act is thereupon and hereby suspended for a period of,

(a) upon the first conviction, three months; and

(b) upon a subsequent conviction, six months,

provided that where an order has been made before the 26th day of April, 1976 under subsection 1 of section 238 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

s. 32.  
re-enacted

5. Section 32 of the said Act is repealed and the following substituted therefor:

Suspension  
on appeal

32. If a person whose licence has been suspended enters an appeal against his conviction and serves notice of the appeal on the Registrar, the suspension does not apply from the time notice is served on the Registrar unless the conviction is sustained on appeal.

s. 37 (3).  
amended

6. Subsection 3 of section 37 of the said Act is amended by striking out "subsection 1" in the third line and inserting in lieu thereof "subsections 1, 1a and 1b".

s. 41a.  
enacted

7. The said Act is amended by adding thereto the following section:

Extended  
mirrors

41a. No person shall operate or drive upon a highway a motor vehicle, other than a commercial motor vehicle, which has attached thereto any mirror or mirrors which extend more than twelve inches from the side of the vehicle, except when the motor vehicle is towing another vehicle.

s. 58b (6).  
re-enacted

8. Subsection 6 of section 58b of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 167, section 8, is repealed and the following substituted therefor:

SECTION 4. The re-enactment is of a housekeeping nature in which the sections of the *Criminal Code* (Canada) are re-arranged to make clear that a driver's licence may be suspended for refusing to take a breathalyzer test.

SECTION 5. Section 32 presently reads as follows :

- 32. If a person whose licence has been suspended enters an appeal against his conviction, the suspension does not apply unless the conviction is sustained on appeal.*

The re-enactment is of a housekeeping nature and clarifies the time during which a suspension does not apply if a conviction is appealed.

SECTION 6. Section 37 (3) presently reads as follows :

- (3) Lamps on the front of a motor vehicle shall be so constructed, located, arranged and adjusted that when lighted as required by subsection 1 they produce under normal atmospheric conditions and on a level road a driving light sufficient to render clearly discernible to the operator of the motor vehicle any person or vehicle on the highway within a distance of 350 feet ahead of the motor vehicle.*

Section 37 (1) of the Act sets out the lights required to be displayed on a motor vehicle. Section 37 (1a) and 37 (1b) set out the lights required on a motorcycle and a motorcycle with a side car. This is a housekeeping amendment.

SECTION 7. Self-explanatory.

SECTION 8. Subsections 1, 2 and 3 of section 58b of the Act require safety standard certificates before a used motor vehicle may be transferred.

Section 58b (6) of the Act presently reads as follows :

- (6) Subsections 1, 2 and 3 do not apply to the sale or transfer of a used motor vehicle to a motor vehicle dealer registered under The Motor Vehicle Dealers Act.*

SECTION 9. Sections 58 to 58l of the Act deal with the issue of safety standard certificates and the licensing and operation of motor vehicle inspection stations.

Section 6 (5) of *The Summary Convictions Act* provides that every summons issued for a contravention of any provision of *The Highway Traffic Act*, except for certain specified sections, shall be served by sending it by prepaid post or by personal service within twenty-one days of the alleged contravention.

The amendment extends the time for service to six months in respect of the sections mentioned.

SECTION 10.—Subsection 1. Section 60 (1) of the Act authorizes the Lieutenant Governor in Council to make regulations in respect of the matters specified therein. The added clause expands the matters specified.

Subsection 2. The new subsection is self-explanatory.

Subsection 3. The penalty subsection is made to apply to offences committed under the new subsection 2a as well as under the regulations.

The provision as re-enacted will read as follows:

- (3) *Every person who contravenes any of the provisions of this section or of a regulation made under this section is guilty of an offence and on summary conviction is liable to a fine of not less than \$100 and not more than \$500.*

The words underlined have been added.

SECTION 11. Section 69 (1) of the Act authorizes the Lieutenant Governor in Council to make regulations in respect of explosives and the labelling, packaging and transportation thereof on highways.



(6) Subsections 1, 2 and 3 do not apply to the sale or transfer of a used motor vehicle to a motor vehicle dealer who, Sale or transfer to motor vehicle dealer or holder of exemption certificate  
R.S.O. 1970. c. 475

(a) is registered under *The Motor Vehicle Dealers Act*; or R.S.O. 1970. c. 475

(b) holds an exemption certificate issued by the Registrar issued pursuant to that Act.

9. Section 58<sup>l</sup> of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 167, section 8 and amended by 1974, chapter 123, section 16, is further amended by adding thereto the following subsection: s. 58<sup>l</sup>, amended

(1a) Notwithstanding subsection 5 of section 6 of *The Summary Convictions Act*, every summons issued for a contravention of any provision of sections 58 to 58<sup>l</sup> or any regulation made under section 58<sup>m</sup> shall be served by sending it by prepaid post or by personal service within six months of the alleged contravention. Service of summons  
R.S.O. 1970. c. 450

- 10.—(1) Subsection 1 of section 60 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 45, section 19, is further amended by adding thereto the following clauses: s. 60 (1), amended

(d) providing for and requiring the identification and marking of vehicles or any class or classes thereof;

(e) prescribing the types or classes of vehicles to which subsection 2a applies.

- (2) The said section 60 is amended by adding thereto the following subsection: s. 60, amended

(2a) No person shall sell, offer or expose for sale any new vehicle of a type or class prescribed by the regulations made under clause e of subsection 1 that does not comply with the standards and specifications prescribed by the regulations or that is not marked or identified as prescribed by the regulations. Prohibition re sale where non-compliance with regulations

- (3) Subsection 3 of the said section 60 is amended by inserting after "provisions" in the first line "of this section or". s. 60 (3), amended

11. Section 69 of the said Act is amended by adding thereto the following subsection: s. 69, amended

(1a) Any regulation made under subsection 1 may adopt by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any Codes

code or standard, or any regulation made by the Government of Canada, and may require compliance with any code, standard or regulation that is so adopted.

s. 82 (12),  
amended

- 12.** Subsection 12 of section 82 of the said Act, as amended by the Statutes of Ontario, 1977, chapter 19, section 3, is further amended by striking out "city" in the first line and inserting in lieu thereof "county, township, city".

s. 96 (20, 21),  
re-enacted

- 13.** Subsections 20 and 21 of section 96 of the said Act are repealed and the following substituted therefor:

Idem

(20) No signal-light traffic control system shall be erected unless approval has been obtained from the Ministry or an officer of the Ministry authorized by the Minister in writing to grant such approval.

Idem

(21) Additional signal-lights may be installed with the approval of the Ministry or an officer referred to in subsection 20 for use in conjunction with any signal-light traffic control system.

s. 120 (6),  
amended

- 14.** Subsection 6 of section 120 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 123, section 29 and 1975, chapter 64, section 1, is further amended by adding thereto the following clauses:

(g) prescribing the books and records that shall be kept by persons who operate vehicles used for transporting children to and from school and operated by or under contract with a school board or other authority in charge of a school;

(h) prescribing the entries to be made in a book issued by the Ministry and requiring the use of such books by the driver and by the operator of a vehicle used for transporting children to and from school and operated by or under contract with a school board or other authority in charge of a school;

(i) prescribing fees for the issue of the books referred to in clause h.

s. 128 (2),  
re-enacted

- 15.** Subsection 2 of section 128 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 123, section 31 and 1975, chapter 78, section 9, is repealed and the following substituted therefor:

Prohibiting  
motor  
assisted  
bicycles,  
etc., on  
municipal  
highways

(2) The council of a municipality may by by-law prohibit pedestrians or the use of motor assisted bicycles, bicycles,



SECTION 12. Subsection 12 of section 82 of the Act empowers the council of a city, town or village to designate school zones by by-law and to regulate speed limits in those zones. The amendment extends this power to the councils of counties and townships.

SECTION 13. Subsections 20 and 21 of section 96 presently read as follows:

- (20) *No signal-light traffic control system shall be erected unless the approval of the Ministry has been obtained.*
- (21) *Additional signal-lights may be installed with the approval of the Ministry for use in conjunction with any signal-light traffic control system.*

The amendment allows the Minister to delegate the power to approve signal-light installations to one or more officers of the Ministry. The amendment is housekeeping in nature.

SECTION 14. Section 120 (6) of the Act authorizes the Lieutenant Governor in Council to make regulations in respect of the matters set out in the clauses.

SECTION 15. Section 128 (2) of the Act presently reads as follows:

- (2) *The council of a municipality may by by-law prohibit pedestrians or the use of motor assisted bicycles, bicycles, wheelchairs or animals on any highway or portion of a highway under its jurisdiction on which the maximum speed limit is 50 miles per hour or more.*

The words underlined are being deleted.

The amendment has the effect of permitting municipalities to prohibit pedestrian and other traffic specified from using highways. Presently, this can be done only in respect of highways where the speed limit is 50 miles per hour or more.

SECTION 16. The provision being repealed saves an owner or driver of a motor vehicle harmless from civil liability for injury to a gratuitous passenger except where the injury was caused or contributed to by the gross negligence of the driver.

The effect of the repeal is to establish absence of negligence as the standard of care to be exercised by drivers towards gratuitous passengers.

SECTION 17. Section 139 of the Act requires a person involved in an accident where property damage exceeds \$200 to report the accident. The amount of \$200 is being changed to \$400.

SECTION 18. Section 142 (1) of the Act presently reads as follows:

- (1) *Every coroner who investigates, and every Crown attorney and police officer having knowledge of a fatal accident in which a motor vehicle is involved, shall secure such particulars of the accident, the persons involved, and other information as may be necessary to complete a written report to the Registrar on the forms prescribed for that purpose, and shall transmit the report forthwith to the Registrar.*

wheelchairs or animals on any highway or portion of a highway under its jurisdiction.

- 16.**—(1) Subsection 3 of section 132 of the said Act is repealed. s. 132 (3),  
repealed
- (2) Notwithstanding subsection 1, the said subsection 3 of Exception section 132 continues in force in respect of a cause of action arising before this section comes into force.
- 17.** Subsection 1 of section 139 of the said Act, as amended by s. 139 (1),  
amended the Statutes of Ontario, 1975, chapter 78, section 10, is further amended by striking out “\$200” in the fourth line and inserting in lieu thereof “\$400”.
- 18.** Subsection 1 of section 142 of the said Act is amended by s. 142 (1),  
amended striking out “Every coroner who investigates, and” in the first line.
- 19.**—(1) This Act, except sections 7 and 17, comes into force on Commence-  
ment the day it receives Royal Assent.
- (2) Sections 7 and 17 come into force on the 1st day of Idem January, 1978.
- 20.** The short title of this Act is *The Highway Traffic Amendment Act, 1977*. Short title

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An Act to amend  
The Highway Traffic Act

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*1st Reading*

October 27th, 1977

*2nd Reading*

*3rd Reading*

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THE HON. J. W. SNOW  
Minister of Transportation and  
Communications

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*(Government Bill)*

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**BILL 85**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Highway Traffic Act**

THE HON. J. W. SNOW  
Minister of Transportation and Communications



*(Reprinted as amended by the Committee of the Whole House)*

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

SECTION 1. Certain medical information is required before certain classes of drivers' licences may be issued. The subsection being enacted makes clear that any such information filed is privileged and not open to public inspection.

SECTION 2. Section 15 (2) of the Act presently reads as follows:

*(2) Section 13 and any regulation made thereunder do not apply to a person for thirty days after he has become a resident of Ontario if during such period he holds a subsisting driver's licence in accordance with the laws of the province, country or state of which he was a resident immediately before becoming a resident of Ontario.*

Section 13 of the Act prohibits the driving of a motor vehicle on a highway without a driver's licence issued under the Act.

SECTION 3. Section 18 of the Act is re-enacted to prohibit persons under the age of 16 from driving or being permitted to drive a self-propelled implement of husbandry on a highway.

This section in its present form does not refer to self-propelled implements of husbandry.

## An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 13 of *The Highway Traffic Act*, being chapter 202 of <sup>s. 13, amended</sup> the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1973, chapter 167, section 4, and amended by 1974, chapter 123, section 3, is further amended by adding thereto the following subsection:
 

(7) Documents filed with the Ministry relating to mental <sup>Documents privileged</sup> and physical, including ophthalmic and auditory, examinations pursuant to this section are privileged for the information of the Ministry only and shall not be open for public inspection.
2. Subsection 2 of section 15 of the said Act, as amended by the <sup>s. 15 (2), amended</sup> Statutes of Ontario, 1973, chapter 167, section 5, is further amended by striking out "thirty" in the second line and inserting in lieu thereof "sixty".
3. Section 18 of the said Act, as amended by the Statutes of <sup>s. 18, re-enacted</sup> Ontario, 1973, chapter 45, section 8, is repealed and the following substituted therefor:

18.—(1) No person under the age of sixteen years shall <sup>Drivers under 16 prohibited</sup> drive or operate a motor vehicle, road-building machine, self-propelled implement of husbandry or farm tractor on a highway.

(2) No person shall employ or permit anyone under the <sup>Employment of drivers under 16 prohibited</sup> age of sixteen years to drive or operate a motor vehicle, road-building machine, self-propelled implement of husbandry or farm tractor on a highway.

(3) Subsections 1 and 2 do not apply in respect of the <sup>Exception</sup> driving or operating of a self-propelled implement of husbandry or farm tractor directly across a highway.



s. 20 (1),  
re-enacted

4. Subsection 1 of section 20 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 37, section 3, is repealed and the following substituted therefor:

Suspension  
on conviction  
for certain  
offences  
R.S.C. 1970,  
c. C-34

(1) The driver's licence of a person who is convicted of an offence under section 203, 204 or 219 of the *Criminal Code* (Canada) committed by means of a motor vehicle as defined in this Act or of an offence under section 233, 234 or 236 of the *Criminal Code* (Canada) committed while driving or having the care or control of a motor vehicle as defined in this Act or of an offence under section 234.1 or 235 of the *Criminal Code* (Canada) committed in relation to the driving or care or control of a motor vehicle as defined in this Act is thereupon and hereby suspended for a period of,

(a) upon the first conviction, three months; and

(b) upon a subsequent conviction, six months,

provided that where an order has been made before the 26th day of April, 1976 under subsection 1 of section 238 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

s. 32,  
re-enacted

5. Section 32 of the said Act is repealed and the following substituted therefor:

Suspension  
on appeal

32. If a person whose licence has been suspended enters an appeal against his conviction and serves notice of the appeal on the Registrar, the suspension does not apply from the time notice is served on the Registrar unless the conviction is sustained on appeal.

s. 37 (3),  
amended

6. Subsection 3 of section 37 of the said Act is amended by striking out "subsection 1" in the third line and inserting in lieu thereof "subsections 1, 1a and 1b".

s. 41a,  
enacted

7. The said Act is amended by adding thereto the following section:

Extended  
mirrors

41a. No person shall operate or drive upon a highway a motor vehicle, other than a commercial motor vehicle, which has attached thereto any mirror or mirrors which extend more than twelve inches from the side of the vehicle, except when the motor vehicle is towing another vehicle.

s. 58b (6),  
re-enacted

8. Subsection 6 of section 58b of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 167, section 8, is repealed and the following substituted therefor:



SECTION 4. The re-enactment is of a housekeeping nature in which the sections of the *Criminal Code* (Canada) are re-arranged to make clear that a driver's licence may be suspended for refusing to take a breathalyzer test.

SECTION 5. Section 32 presently reads as follows:

*32. If a person whose licence has been suspended enters an appeal against his conviction, the suspension does not apply unless the conviction is sustained on appeal.*

The re-enactment is of a housekeeping nature and clarifies the time during which a suspension does not apply if a conviction is appealed.

SECTION 6. Section 37 (3) presently reads as follows:

*(3) Lamps on the front of a motor vehicle shall be so constructed, located, arranged and adjusted that when lighted as required by subsection 1 they produce under normal atmospheric conditions and on a level road a driving light sufficient to render clearly discernible to the operator of the motor vehicle any person or vehicle on the highway within a distance of 350 feet ahead of the motor vehicle.*

Section 37 (1) of the Act sets out the lights required to be displayed on a motor vehicle. Section 37 (1a) and 37 (1b) set out the lights required on a motorcycle and a motorcycle with a side car. This is a housekeeping amendment.

SECTION 7. Self-explanatory.

SECTION 8. Subsections 1, 2 and 3 of section 58b of the Act require safety standard certificates before a used motor vehicle may be transferred.

Section 58b (6) of the Act presently reads as follows:

*(6) Subsections 1, 2 and 3 do not apply to the sale or transfer of a used motor vehicle to a motor vehicle dealer registered under The Motor Vehicle Dealers Act.*

SECTION 9. Sections 58 to 58l of the Act deal with the issue of safety standard certificates and the licensing and operation of motor vehicle inspection stations.

Section 6 (5) of *The Summary Convictions Act* provides that every summons issued for a contravention of any provision of *The Highway Traffic Act*, except for certain specified sections, shall be served by sending it by prepaid post or by personal service within twenty-one days of the alleged contravention.

The amendment extends the time for service to six months in respect of the sections mentioned.

SECTION 10.—Subsection 1. Section 60 (1) of the Act authorizes the Lieutenant Governor in Council to make regulations in respect of the matters specified therein. The added clause expands the matters specified.

Subsection 2. The new subsection is self-explanatory.

Subsection 3. The penalty subsection is made to apply to offences committed under the new subsection 2a as well as under the regulations.

The provision as re-enacted will read as follows:

- (3) *Every person who contravenes any of the provisions of this section or of a regulation made under this section is guilty of an offence and on summary conviction is liable to a fine of not less than \$100 and not more than \$500.*

The words underlined have been added.

SECTION 11. Section 69 (1) of the Act authorizes the Lieutenant Governor in Council to make regulations in respect of explosives and the labelling, packaging and transportation thereof on highways.

(6) Subsections 1, 2 and 3 do not apply to the sale or transfer of a used motor vehicle to a motor vehicle dealer who, Sale or transfer to motor vehicle dealer or holder of exemption certificate R.S.O. 1970. c. 475

(a) is registered under *The Motor Vehicle Dealers Act*; or R.S.O. 1970. c. 475

(b) holds an exemption certificate issued by the Registrar issued pursuant to that Act.

9. Section 58<sup>l</sup> of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 167, section 8 and amended by 1974, chapter 123, section 16, is further amended by adding thereto the following subsection: s. 58<sup>l</sup>. amended

(1a) Notwithstanding subsection 5 of section 6 of *The Summary Convictions Act*, every summons issued for a contravention of any provision of sections 58 to 58<sup>l</sup> or any regulation made under section 58<sup>m</sup> shall be served by sending it by prepaid post or by personal service within six months of the alleged contravention. Service of summons R.S.O. 1970. c. 450

- 10.—(1) Subsection 1 of section 60 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 45, section 19, is further amended by adding thereto the following clauses: s. 60 (1). amended

(d) providing for and requiring the identification and marking of vehicles or any class or classes thereof;

(e) prescribing the types or classes of vehicles to which subsection 2a applies.

- (2) The said section 60 is amended by adding thereto the following subsection: s. 60. amended

(2a) No person shall sell, offer or expose for sale any new vehicle of a type or class prescribed by the regulations made under clause e of subsection 1 that does not comply with the standards and specifications prescribed by the regulations or that is not marked or identified as prescribed by the regulations. Prohibition re sale where non-compliance with regulations

- (3) Subsection 3 of the said section 60 is amended by inserting after "provisions" in the first line "of this section or". s. 60 (3). amended

11. Section 69 of the said Act is amended by adding thereto the following subsection: s. 69. amended

(1a) Any regulation made under subsection 1 may adopt by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any Codes

code or standard, or any regulation made by the Government of Canada, and may require compliance with any code, standard or regulation that is so adopted.

s. 82 (12),  
amended

- 12.** Subsection 12 of section 82 of the said Act, as amended by the Statutes of Ontario, 1977, chapter 19, section 3, is further amended by striking out "city" in the first line and inserting in lieu thereof "county, township, city".

s. 96 (20, 21),  
re-enacted

- 13.** Subsections 20 and 21 of section 96 of the said Act are repealed and the following substituted therefor:

Idem

(20) No signal-light traffic control system shall be erected unless approval has been obtained from the Ministry or an officer of the Ministry authorized by the Minister in writing to grant such approval.

Idem

(21) Additional signal-lights may be installed with the approval of the Ministry or an officer referred to in subsection 20 for use in conjunction with any signal-light traffic control system.

s. 120 (6),  
amended

- 14.** Subsection 6 of section 120 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 123, section 29 and 1975, chapter 64, section 1, is further amended by adding thereto the following clauses:

(g) prescribing the books and records that shall be kept by persons who operate vehicles used for transporting children to and from school and operated by or under contract with a school board or other authority in charge of a school;

(h) prescribing the entries to be made in a book issued by the Ministry and requiring the use of such books by the driver and by the operator of a vehicle used for transporting children to and from school and operated by or under contract with a school board or other authority in charge of a school;

(i) prescribing fees for the issue of the books referred to in clause h.

s. 128 (2),  
re-enacted

- 15.** Subsection 2 of section 128 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 123, section 31 and 1975, chapter 78, section 9, is repealed and the following substituted therefor:

Prohibiting  
motor  
assisted  
bicycles,  
etc., on  
municipal  
highways

(2) The council of a municipality may by by-law prohibit pedestrians or the use of motor assisted bicycles, bicycles,

SECTION 12. Subsection 12 of section 82 of the Act empowers the council of a city, town or village to designate school zones by by-law and to regulate speed limits in those zones. The amendment extends this power to the councils of counties and townships.

SECTION 13. Subsections 20 and 21 of section 96 presently read as follows:

- (20) *No signal-light traffic control system shall be erected unless the approval of the Ministry has been obtained.*
- (21) *Additional signal-lights may be installed with the approval of the Ministry for use in conjunction with any signal-light traffic control system.*

The amendment allows the Minister to delegate the power to approve signal-light installations to one or more officers of the Ministry. The amendment is housekeeping in nature.

SECTION 14. Section 120 (6) of the Act authorizes the Lieutenant Governor in Council to make regulations in respect of the matters set out in the clauses.

SECTION 15. Section 128 (2) of the Act presently reads as follows:

- (2) *The council of a municipality may by by-law prohibit pedestrians or the use of motor assisted bicycles, bicycles, wheelchairs or animals on any highway or portion of a highway under its jurisdiction on which the maximum speed limit is 50 miles per hour or more.*

The words underlined are being deleted.

The amendment has the effect of permitting municipalities to prohibit pedestrian and other traffic specified from using highways. Presently, this can be done only in respect of highways where the speed limit is 50 miles per hour or more.

SECTION 16. The provision being repealed saves an owner or driver of a motor vehicle harmless from civil liability for injury to a gratuitous passenger except where the injury was caused or contributed to by the gross negligence of the driver.

The effect of the repeal is to establish absence of negligence as the standard of care to be exercised by drivers towards gratuitous passengers.



SECTION 17. Section 139 of the Act requires a person involved in an accident where property damage exceeds \$200 to report the accident. The amount of \$200 is being changed to \$400.

SECTION 18. Section 142 (1) of the Act presently reads as follows:

*(1) Every coroner who investigates, and every Crown attorney and police officer having knowledge of a fatal accident in which a motor vehicle is involved, shall secure such particulars of the accident, the persons involved, and other information as may be necessary to complete a written report to the Registrar on the forms prescribed for that purpose, and shall transmit the report forthwith to the Registrar.*



wheelchairs or animals on any highway or portion of a highway under its jurisdiction.

- 16.**—(1) Subsection 3 of section 132 of the said Act is repealed. s. 132 (3),  
repealed
- (2) Notwithstanding subsection 1, the said subsection 3 of section 132 continues in force in respect of a cause of action arising before this section comes into force. Exception
- 17.** Subsection 1 of section 139 of the said Act, as amended by the Statutes of Ontario, 1975, chapter 78, section 10, is further amended by striking out “\$200” in the fourth line and inserting in lieu thereof “\$400”. s. 139 (1),  
amended
- 18.** Subsection 1 of section 142 of the said Act is amended by striking out “Every coroner who investigates, and” in the first line. s. 142 (1),  
amended
- 19.**—(1) This Act, except sections 7, 16 and 17, comes into force on the day it receives Royal Assent. Commence-  
ment
- (2) Sections 7 and 17 come into force on the 1st day of January, 1978. Idem
-  (3) Section 16 comes into force on a day to be named by proclamation of the Lieutenant Governor. Idem 
- 20.** The short title of this Act is *The Highway Traffic Amendment Act, 1977*. Short title

An Act to amend  
The Highway Traffic Act

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*1st Reading*

October 27th, 1977

*2nd Reading*

November 8th, 1977

*3rd Reading*

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THE HON. J. W. SNOW  
Minister of Transportation and  
Communications

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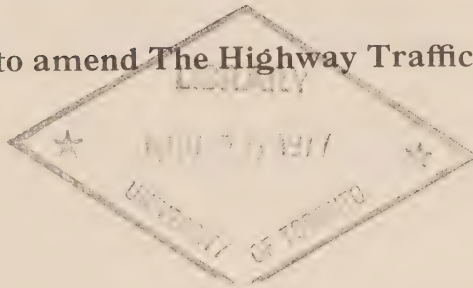
*(Reprinted as amended by the  
Committee of the Whole House)*



**BILL 85**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Highway Traffic Act**



THE HON. J. W. SNOW  
Minister of Transportation and Communications

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



BILL 85

1977

## An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 13 of *The Highway Traffic Act*, being chapter 202 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1973, chapter 167, section 4, and amended by 1974, chapter 123, section 3, is further amended by adding thereto the following subsection:
 

(7) Documents filed with the Ministry relating to mental and physical, including ophthalmic and auditory, examinations pursuant to this section are privileged for the information of the Ministry only and shall not be open for public inspection.
2. Subsection 2 of section 15 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 167, section 5, is further amended by striking out "thirty" in the second line and inserting in lieu thereof "sixty".
3. Section 18 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 45, section 8, is repealed and the following substituted therefor:

18.—(1) No person under the age of sixteen years shall drive or operate a motor vehicle, road-building machine, self-propelled implement of husbandry or farm tractor on a highway.

(2) No person shall employ or permit anyone under the age of sixteen years to drive or operate a motor vehicle, road-building machine, self-propelled implement of husbandry or farm tractor on a highway.

(3) Subsections 1 and 2 do not apply in respect of the driving or operating of a self-propelled implement of husbandry or farm tractor directly across a highway.

s. 20 (1),  
re-enacted

4. Subsection 1 of section 20 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 37, section 3, is repealed and the following substituted therefor:

Suspension  
on conviction  
for certain  
offences  
R.S.C. 1970,  
c. C-34

(1) The driver's licence of a person who is convicted of an offence under section 203, 204 or 219 of the *Criminal Code* (Canada) committed by means of a motor vehicle as defined in this Act or of an offence under section 233, 234 or 236 of the *Criminal Code* (Canada) committed while driving or having the care or control of a motor vehicle as defined in this Act or of an offence under section 234.1 or 235 of the *Criminal Code* (Canada) committed in relation to the driving or care or control of a motor vehicle as defined in this Act is thereupon and hereby suspended for a period of,

(a) upon the first conviction, three months; and

(b) upon a subsequent conviction, six months,

provided that where an order has been made before the 26th day of April, 1976 under subsection 1 of section 238 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

s. 32,  
re-enacted

5. Section 32 of the said Act is repealed and the following substituted therefor:

Suspension  
on appeal

32. If a person whose licence has been suspended enters an appeal against his conviction and serves notice of the appeal on the Registrar, the suspension does not apply from the time notice is served on the Registrar unless the conviction is sustained on appeal.

s. 37 (3),  
amended

6. Subsection 3 of section 37 of the said Act is amended by striking out "subsection 1" in the third line and inserting in lieu thereof "subsections 1, 1a and 1b".

s. 41a,  
enacted

7. The said Act is amended by adding thereto the following section:

Extended  
mirrors

41a. No person shall operate or drive upon a highway a motor vehicle, other than a commercial motor vehicle, which has attached thereto any mirror or mirrors which extend more than twelve inches from the side of the vehicle, except when the motor vehicle is towing another vehicle.

s. 58b (6),  
re-enacted

8. Subsection 6 of section 58b of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 167, section 8, is repealed and the following substituted therefor:

(6) Subsections 1, 2 and 3 do not apply to the sale or transfer of a used motor vehicle to a motor vehicle dealer who, Sale or transfer to motor vehicle dealer or holder of exemption certificate R.S.O. 1970. c. 475

(a) is registered under *The Motor Vehicle Dealers Act*; or R.S.O. 1970. c. 475

(b) holds an exemption certificate issued by the Registrar issued pursuant to that Act.

9. Section 58l of the said Act, as enacted by the Statutes of Ontario, 1973, chapter 167, section 8 and amended by 1974, chapter 123, section 16, is further amended by adding thereto the following subsection: s. 58l. amended

(1a) Notwithstanding subsection 5 of section 6 of *The Summary Convictions Act*, every summons issued for a contravention of any provision of sections 58 to 58l or any regulation made under section 58m shall be served by sending it by prepaid post or by personal service within six months of the alleged contravention. Service of summons R.S.O. 1970. c. 450

- 10.—(1) Subsection 1 of section 60 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 45, section 19, is further amended by adding thereto the following clauses: s. 60 (1). amended

(d) providing for and requiring the identification and marking of vehicles or any class or classes thereof;

(e) prescribing the types or classes of vehicles to which subsection 2a applies.

- (2) The said section 60 is amended by adding thereto the following subsection: s. 60. amended

(2a) No person shall sell, offer or expose for sale any new vehicle of a type or class prescribed by the regulations made under clause e of subsection 1 that does not comply with the standards and specifications prescribed by the regulations or that is not marked or identified as prescribed by the regulations. Prohibition re sale where non-compliance with regulations

- (3) Subsection 3 of the said section 60 is amended by inserting after "provisions" in the first line "of this section or". s. 60 (3). amended

11. Section 69 of the said Act is amended by adding thereto the following subsection: s. 69. amended

(1a) Any regulation made under subsection 1 may adopt by reference, in whole or in part, with such changes as the Lieutenant Governor in Council considers necessary, any Codes

code or standard, or any regulation made by the Government of Canada, and may require compliance with any code, standard or regulation that is so adopted.

s. 82 (12),  
amended

- 12.** Subsection 12 of section 82 of the said Act, as amended by the Statutes of Ontario, 1977, chapter 19, section 3, is further amended by striking out "city" in the first line and inserting in lieu thereof "county, township, city".

s. 96 (20, 21),  
re-enacted

- 13.** Subsections 20 and 21 of section 96 of the said Act are repealed and the following substituted therefor:

Idem

(20) No signal-light traffic control system shall be erected unless approval has been obtained from the Ministry or an officer of the Ministry authorized by the Minister in writing to grant such approval.

Idem

(21) Additional signal-lights may be installed with the approval of the Ministry or an officer referred to in subsection 20 for use in conjunction with any signal-light traffic control system.

s. 120 (6),  
amended

- 14.** Subsection 6 of section 120 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 123, section 29 and 1975, chapter 64, section 1, is further amended by adding thereto the following clauses:

(g) prescribing the books and records that shall be kept by persons who operate vehicles used for transporting children to and from school and operated by or under contract with a school board or other authority in charge of a school;

(h) prescribing the entries to be made in a book issued by the Ministry and requiring the use of such books by the driver and by the operator of a vehicle used for transporting children to and from school and operated by or under contract with a school board or other authority in charge of a school;

(i) prescribing fees for the issue of the books referred to in clause *h*.

s. 128 (2),  
re-enacted

- 15.** Subsection 2 of section 128 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 123, section 31 and 1975, chapter 78, section 9, is repealed and the following substituted therefor:

Prohibiting  
motor  
assisted  
bicycles,  
etc., on  
municipal  
highways

(2) The council of a municipality may by by-law prohibit pedestrians or the use of motor assisted bicycles, bicycles,



wheelchairs or animals on any highway or portion of a highway under its jurisdiction.

- 16.**—(1) Subsection 3 of section 132 of the said Act is repealed. s. 132 (3),  
repealed
- (2) Notwithstanding subsection 1, the said subsection 3 of section 132 continues in force in respect of a cause of Exception action arising before this section comes into force.
- 17.** Subsection 1 of section 139 of the said Act, as amended by s. 139 (1),  
amended the Statutes of Ontario, 1975, chapter 78, section 10, is further amended by striking out “\$200” in the fourth line and inserting in lieu thereof “\$400”.
- 18.** Subsection 1 of section 142 of the said Act is amended by s. 142 (1),  
amended striking out “Every coroner who investigates, and” in the first line.
- 19.**—(1) This Act, except sections 7, 16 and 17, comes into force Commence-  
ment on the day it receives Royal Assent.
- (2) Sections 7 and 17 come into force on the 1st day of Idem January, 1978.
- (3) Section 16 comes into force on a day to be named by Idem proclamation of the Lieutenant Governor.
- 20.** The short title of this Act is *The Highway Traffic Amendment Act, 1977*. Short title

An Act to amend  
The Highway Traffic Act

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*1st Reading*

October 27th, 1977

*2nd Reading*

November 8th, 1977

*3rd Reading*

November 8th, 1977

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THE HON. J. W. SNOW  
Minister of Transportation and  
Communications

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act respecting The Official Languages of Ontario**

MR. SAMIS



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The purpose of this Bill is to establish French and English as the official languages of Ontario. The Bill defines the extent to which both official languages are to be used in the Legislative Assembly by the Government of Ontario and in proceedings before judicial and quasi-judicial bodies.

BILL 86

1977

## An Act respecting The Official Languages of Ontario

**W**HEREAS the English and French languages are rec- Preamble  
ognized as official languages in Canada; and whereas  
the Franco-Ontarian community has been and continues to  
be a vital partner in the growth, development and cultural  
enrichment of Ontario;

Therefore, Her Majesty, by and with the advice and  
consent of the Legislative Assembly of the Province of  
Ontario, enacts as follows:

### 1. In this Act,

Interpre-  
tation

- (a) "proceedings" includes, when applied to a court of  
record or statutory tribunal, all pleadings and  
process in or issuing from and written submissions  
to and oral arguments before the court or tribunal;
- (b) "regulation" includes rules, orders, and by-laws;
- (c) "statutory tribunal" means one or more persons,  
whether or not incorporated and however described,  
upon which is conferred by or under a statute a  
power or right to make a decision deciding or  
prescribing,
  - (i) the legal rights, powers, privileges, immu-  
nities, duties or liabilities of any person or  
party, or
  - (ii) the eligibility of any person or party to  
receive or to the continuation of, a benefit  
or licence, whether he is legally entitled  
thereto or not.

**2.** The English and French languages are the official Declaration  
of status  
languages of Ontario for all purposes to which the authority

of the Legislative Assembly extends, and possess and enjoy equality of status and equal rights and privileges as to their use in all institutions of the Assembly and Government of Ontario.

Use of  
official  
languages  
in Legis-  
lative  
Assembly

**3.**—(1) Either of the official languages may be used by any person in proceedings of the Legislative Assembly or a committee thereof and the record of debates, journals and Order Paper of the Assembly shall be printed in both official languages.

Idem

(2) Every Bill, resolution, motion or petition introduced in the Assembly may be in either or both of the official languages.

Statutes  
to be  
printed and  
published  
in both  
official  
languages

**4.**—(1) The Statutes of Ontario shall be printed and published in both official languages.

Regula-  
tions and  
proclama-  
tions

(2) Any regulation and proclamation that is made or issued by or under the authority of any Act of the Legislative Assembly and is required to be published in *The Ontario Gazette* shall be made or issued and published accordingly in both official languages.

Orders and  
judgments

(3) All orders and judgments, including any reasons given therefor, issued by any court of record or statutory tribunal established by or pursuant to an Act of the Legislative Assembly of Ontario shall be issued in both official languages where the order or judgment determines a question of law or policy of general public interest or importance or where the proceedings leading to its issue were conducted in whole or in part in both official languages.

Construc-  
tion

(4) In construing an Act, regulation or proclamation that is printed and published in the official languages, both versions are equally authentic.

Where  
versions  
may be  
issued at  
different  
times

(5) Where an authority responsible for the making or issuance of a regulation, proclamation, order or judgment is of the opinion that to make or issue it in both official languages would cause a delay prejudicial to the public interest or result in injustice or hardship to a person affected thereby, the regulation, proclamation, order or judgment may be issued in the first instance in one of the official languages and thereafter, within such time as is reasonable in the circumstances, shall be issued in the other official language and the latter version is deemed to be effective from the time the first is effective.

**5.**—(1) Every ministry of the Government of Ontario and every board, commission, corporation or other agency thereof has the duty to ensure that members of the public can obtain available services from and can communicate with it in both official languages, Ministries to provide service in both official languages

(a) at its head or central office location; and

(b) at any other office location where there is a significant demand for services in both official languages.

(2) Every ministry, board, commission, corporation or other agency of the Government of Ontario that is required by an Act of the Legislative Assembly to lay an annual report before the Assembly shall include as part of that report a description of the extent to which it provides services to the members of the public in both official languages. Report

**6.**—(1) Either of the official languages may be used by a person in a proceeding before a court of record or statutory tribunal but, upon application by a party to the proceedings and subject to subsection 2, a court or statutory tribunal may order that proceedings be conducted wholly or partially in one of the official languages where, in the opinion of the court, the balance of convenience favours such an order and no party will be prejudiced thereby. Courts and tribunals

(2) Every court of record or statutory tribunal has in any proceedings brought or taken before it the duty to ensure that any person giving evidence before it may be heard in the official language of his choice. Evidence

**7.**—(1) In this section, “ministry” means a ministry of the Government of Ontario and every board, commission, corporation or other agency thereof. Interpretation

(2) Where, upon the submission of a Minister, it is established to the satisfaction of the Lieutenant Governor in Council that the immediate application of any provision of this Act to a ministry, court of record or statutory tribunal or any service provided by it, Where application of Bill may be deferred or suspended

(a) would unduly prejudice the interests of the ministry;

(b) would unduly prejudice the interests of persons undertaking or affected by proceedings before a court of record or statutory tribunal; or

- (c) would be seriously detrimental to the effective administration of the ministry, court of record or statutory tribunal,

the Lieutenant Governor in Council may by order defer or suspend the application of this Act or a part thereof to the ministry, court of record or statutory tribunal for such period and to such extent as the Lieutenant Governor in Council deems necessary or expedient.

Terms of  
order

(3) Any order made under this section may contain such directions and be subject to such terms and conditions as the Lieutenant Governor in Council considers appropriate to ensure the earliest possible application of any deferred or suspended provision provided for in the order.

Order to  
be laid  
before  
Assembly

(4) A copy of an order made under this section shall be laid before the Assembly by the Lieutenant Governor within fifteen days of making the order if the Assembly is in session or, if not, at the commencement of the next ensuing session.

Commence-  
ment

**8.** This Act comes into force on the day it receives Royal Assent.

Short title

**9.** The short title of this Act is *The Ontario Official Languages Act, 1977*.



An Act respecting The Official  
Languages of Ontario

*1st Reading*

October 27th, 1977

*2nd Reading*

*3rd Reading*

MR. SAMIS

*(Private Member's Bill)*



**BILL 87**

**Private Member's Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Liquor Licence Act, 1975**

MR. EATON



TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTE

The purpose of the Bill is to raise the legal age, in Ontario, at which the drinking of alcoholic beverages is allowed, from eighteen to twenty.

BILL 87

1977

**An Act to amend  
The Liquor Licence Act, 1975**

**H**ER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Subsection 1 of section 45 of *The Liquor Licence Act*, <sup>s. 45 (1),  
amended</sup> 1975, being chapter 40, is amended by striking out “eighteen” in the second line and inserting in lieu thereof “twenty”.
- (2) Subsection 2 of the said section 45 is amended by striking <sup>s. 45 (2),  
amended</sup> out “eighteen” in the second line and in the sixth line and inserting in lieu thereof in each instance “twenty”.
- (3) Subsection 3 of the said section 45 is amended by striking <sup>s. 45 (3),  
amended</sup> out “eighteen” in the first line and inserting in lieu thereof “twenty”.
- (4) Subsection 4 of the said section 45 is amended by striking <sup>s. 45 (4),  
amended</sup> out “eighteen” in the first line and inserting in lieu thereof “twenty”.
- (5) Subsection 5 of the said section 45 is amended by striking <sup>s. 45 (5),  
amended</sup> out “eighteen” in the second line and inserting in lieu thereof “twenty”.
2. This Act comes into force on the day it receives Royal Assent. <sup>Commence-  
ment</sup>
3. The short title of this Act is *The Liquor Licence Amendment Act, 1977*. <sup>Short title</sup>

An Act to amend  
The Liquor Licence Act, 1975

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*1st Reading*

October 28th, 1977

*2nd Reading*

*3rd Reading*

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MR. EATON

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*(Private Member's Bill)*

**BILL 88**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Corporations Tax Act, 1972**

THE HON. MARGARET SCRIVENER  
Minister of Revenue



## EXPLANATORY NOTES

The Bill substantially re-enacts Parts I and II of *The Corporations Tax Act, 1972*, in the interest of tax simplification. In addition, a number of administrative amendments are made. With respect to the tax simplification measures, Part II of the Act (tax on income) is entirely re-enacted by section 8 of the Bill to provide a greater tie-in with the *Income Tax Act* (Canada); in those areas where the provisions of both Acts are the same, the sections of the *Income Tax Act* (Canada) are made applicable in so far as they apply to corporations, so that such sections need not be reproduced in *The Corporations Tax Act*, and where there are differences, special provisions are enacted to deal with these. Substantial amendments to Part I of the Act, complementary to the amendments to Part II, are also required. Finally, the Bill adds to the Act a number of provisions to provide for the treatment of corporations that buy shares of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*; such provisions to come into force on proclamation.

SECTION 1. This section re-enacts section 1 of the Act and is complementary to the tax simplification measures contained in section 8 of the Bill. The interpretations contained in Part XVII of the *Income Tax Act* (Canada) are, with certain exceptions, adopted and made applicable for the purposes of the Act. Certain additional interpretations are also included for the purposes of the Act. A provision is included to deal with the applicability or non-applicability of cross-references within the adopted sections of the *Income Tax Act* (Canada). Also it is provided in subsection 6 of the new section 1 of the Act that the applicable sections of the *Income Tax Act* (Canada) are adopted as amended or re-enacted from time to time. Finally, the adoption of the definition of "corporation" contained in the *Income Tax Act* (Canada) represents a substantive change to the Act—the present definition of "corporation" does not include corporations incorporated without share capital; the new definition includes such corporations.

The adoption of the Federal definition of "gross revenue" represents a change from the definition of that term in the present Act. This will affect the allocation of income to jurisdictions other than Ontario.

It should be noted that this section also reflects a change in terminology which has been adopted throughout the Act, namely that the expression "fiscal year" will now become "taxation year". Section 26 of the Bill amends this terminology in those sections of the Act not otherwise specifically amended by the Bill.

BILL 88

1977

## An Act to amend The Corporations Tax Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Corporations Tax Act, 1972*, being chapter 143, as amended by the Statutes of Ontario, 1973, chapter 157, section 1, 1974, chapter 75, section 1, 1975, chapter 17, section 1 and 1976, chapter 32, section 1, is repealed and the following substituted therefor: s.1.  
re-enacted

1.—(1) In this Act and in the application of the provisions of the *Income Tax Act* (Canada) that are by this Act made applicable for the purposes of this Act, Interpre-  
tation  
R.S.C. 1952,  
c. 148

- (a) each of the interpretations contained in Part XVII of the *Income Tax Act* (Canada) are, except as hereinafter provided, applicable for the purposes of this Act;
- (b) the interpretations contained in the said Part XVII of the expressions “farming”, “foreign resource property”, “Minister”, “paid-up capital”, “regulations”, “taxable income”, “taxable income earned in Canada” and “tax payable” do not apply and in lieu thereof the following interpretations are applicable:
  - (i) “farming” includes tillage of the soil, live stock raising or exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing, and the keeping of bees, but does not include an office or employment under a person engaged in the business of farming and, for the purposes of subsection 2 of section 135 only, does not include the maintaining of horses for racing,



(ii) "foreign resource property" has the meaning given to that expression by section 15 of this Act,

(iii) "Minister" means, unless otherwise provided in this Act, the Minister of Revenue,

(iv) "paid-up capital" has the meaning given to that expression by paragraph *c* of subsection 1 of section 89 of the *Income Tax Act* (Canada), but such meaning does not apply for the purposes of Part III of this Act,

R.S.C. 1952,  
c. 148

(v) "regulations" means regulations made under this Act,

(vi) "tax payable" by a corporation under any part of the Act means the tax payable by the corporation as fixed by assessment or reassessment subject to variation on objection or appeal, if any, in accordance with sections 154 to 160*b*, as the case may be,

(vii) "taxable income" has the meaning given to that expression by section 9 of this Act,

(viii) "taxable income earned in Canada" has the meaning given to that expression by section 10 of this Act;

R.S.C. 1970,  
cc. B-1, B-4

(c) "bank" means a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies;

(d) "family farm corporation" means a corporation that is throughout the taxation year a corporation,

(i) every share of the capital stock of which that confers on the holder thereof the right to vote was owned by an individual ordinarily resident in Canada or by any such individual and a member or members of his family ordinarily resident in Canada or by another family farm corporation,

(ii) 95 per cent of the assets of which were farming assets, and



- (iii) which carried on the business of farming in Ontario through the employment of a shareholder or a member of his family actually engaged in the operation of the farm;
- (e) "farming assets" of a family farm corporation means,
- (i) cash, trade accounts receivable, supplies and inventory of commodities or things produced, raised or grown through farming,
  - (ii) land, buildings, equipment, machinery, and live stock that are used chiefly in the operation of the farm by the corporation,
  - (iii) any right or licence granted or issued under any Act of the Legislature that permits or regulates the production or sale of any commodity or thing produced, raised or grown through farming,
  - (iv) the building in which a shareholder or member or members of his family reside who are engaged in the operation of the farm if that building is on land that is used or is contiguous to land used by that shareholder or member or members of his family in the operation of the farm,
  - (v) shares in another family farm corporation;
- (f) "jurisdiction" means a province or territory of Canada or a state outside Canada having sovereign power;
- (g) "member of his family" means, with respect to an individual referred to in clause *d*,
- (i) his spouse,
  - (ii) his child,
  - (iii) his father, mother, brother or sister or any lawful descendant of such brother or sister,
  - (iv) the brother or sister of his father or mother or any lawful descendant of any such brother or sister,

(v) the father, mother or any brother or sister of his spouse or any lawful descendant of any such brother or sister,

(vi) his son-in-law or daughter-in-law,

(vii) a person adopted by him under *The Child Welfare Act* or the spouse or any lawful descendant of such person, or

(viii) his grandfather or grandmother;

(h) "permanent establishment" has the meaning given to that expression by section 7;

(i) "timber royalty" includes any consideration for a right under or pursuant to which a right to cut or take timber from a timber limit in Canada is obtained or derived, to the extent that such consideration is dependent upon, and computed by reference to, the amount of timber cut or taken.

R.S.O. 1970,  
c. 64

Idem  
R.S.C. 1952,  
c. 148

(2) In the application of the sections of the *Income Tax Act* (Canada) that by this Act are made applicable for the purposes of this Act,

(a) "capital cost" means the cost of property as determined for the purposes of this Act;

(b) "undepreciated capital cost" means the undepreciated capital cost of depreciable property as determined for the purposes of this Act;

(c) the references therein to,

(i) returns required to be filed under section 150 of that Act shall be deemed to be references to the returns required to be filed under section 145 of this Act, and

(ii) assessments to be made under section 152 of that Act shall be deemed to be references to assessments to be made under section 150 of this Act;

(d) where a section of that Act has been made applicable for the purposes of this Act, and reference is made in that section to another provision (herein-

after in this clause referred to as the “other provision”) of that Act which,

- (i) does not apply for the purposes of this Act,
- (ii) does not apply for the purposes of this Act because a provision of this Act is enacted to apply in lieu thereof, or
- (iii) in respect of which the application for the purposes of this Act differs,

the following rules apply in the application of the section for the purposes of this Act,

- (iv) where subclause i applies, the section (except sections 20, 56, 60, paragraph *f* of subsection 1 of section 95 and section 138 of that Act) shall be read as if the reference to the other provision were deleted,
- (v) where subclause ii applies, the reference to the other provision shall be deemed to be a reference to the provision of this Act that applies in lieu thereof, and
- (vi) where subclause iii applies, the reference to the other provision shall be deemed to be a reference to the other provision as it applies for the purposes of this Act.

(3) Notwithstanding subsection 1, any regulation made pursuant to any provision of the *Income Tax Act* (Canada) that is by this Act made applicable for the purposes of this Act shall apply with necessary modifications for the purposes of this Act unless otherwise provided by this Act or by the regulations.

Application  
of  
regulations  
under  
R.S.C. 1952,  
c. 148

(4) Any election or designation by a corporation which has been properly made for the purposes of the *Income Tax Act* (Canada), pursuant to any provision of that Act that is by this Act made applicable for the purposes of this Act, shall be deemed to have been properly made for the purposes of this Act, provided that,

Elections  
R.S.C. 1952,  
c. 148

- (a) where an amount elected would be different from the amount determined in accordance with this Act, the amount determined in accordance with this Act shall apply; and

- (b) the provisions in that Act imposing penalties for late filing of such elections are not applicable for the purposes of this Act.

Registered  
pension  
funds

(5) Any registered pension fund or plan that has been accepted for registration by the Minister of National Revenue for Canada shall be deemed to have been accepted for registration by the Minister of Revenue.

R.S.C. 1952,  
c. 148 applies  
as amended  
from time  
to time

(6) The sections of the *Income Tax Act* (Canada) by this Act made applicable for the purposes of this Act shall, unless otherwise provided in this Act, be deemed to be applicable as amended or re-enacted from time to time, and such amendments or re-enactments shall apply for the purposes of this Act in the same manner as they apply for the purposes of the *Income Tax Act* (Canada).

s. 2 (2),  
amended

- 2.—(1) Subsection 2 of section 2 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 42, section 1 and 1975, chapter 17, section 2, is further amended by adding “or” at the end of clause *c* and by adding thereto the following clause:

(d) carried on business in Ontario,

s. 2 (3),  
amended

- (2) Subsection 3 of the said section 2, as amended by the Statutes of Ontario, 1973, chapter 42, section 1 and 1975, chapter 17, section 2, is further amended by adding “or” at the end of clause *c* and by adding thereto the following clause:

(d) carried on business in Ontario,

ss. 4, 5,  
repealed

3. Sections 4 and 5 of the said Act are repealed.

s. 6 (1),  
amended

4. Subsection 1 of section 6 of the said Act is amended by striking out “stock, mileage” in the third line and in the fifth line.

s. 11,  
repealed

5. Section 11 of the said Act is repealed.

s. 12,  
re-enacted

6. Section 12 of the said Act is repealed and the following substituted therefor:

Basic  
rules,  
R.S.C. 1952,  
c. 148, s. 3,  
applicable

12.—(1) Except as hereinafter provided, section 3 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said section applies to corporations.

SECTION 2. This section amends subsections 2 and 3 of section 2 of the Act to add clause *d* to extend the applicability of section 2 to foreign corporations which carried on business in Ontario in a taxation year.

SECTION 3. This section repeals sections 4 and 5 of the Act which are no longer necessary as a result of the tax simplification measures adopting the various provisions of the *Income Tax Act* (Canada).

SECTION 4. This section amends subsection 1 of section 6 of the Act by striking out the words "stock, mileage" which became unnecessary as a result of the repeal in 1973 of sections 138 and 139 of the Act.

SECTION 5. This section of the Bill repeals section 11 of the Act which is no longer necessary as a result of the tax simplification measures adopting the various provisions of the *Income Tax Act* (Canada).

SECTION 6. This section re-enacts section 12 of the Act to make section 3 of the *Income Tax Act* (Canada) applicable for the purposes of the Act. This is part of the tax simplification measures adopting various provisions of the *Income Tax Act* (Canada) and does not represent a substantive change to the Act.



SECTION 7. This section re-enacts section 13 of the Act to make section 4 of the *Income Tax Act* (Canada) applicable for the purposes of the Act. This amendment is part of the tax simplification measures contained in this Bill and does not involve any substantive change to the Act.

SECTION 8. This section re-enacts Part II (sections 14 to 122) of the Act as part of the tax simplification measures contained in the Bill. As indicated in the preamble to these explanatory notes, these provisions adopt the corresponding provisions of the *Income Tax Act* (Canada) where applicable and also preserve those sections of the Act where the Act differs from the *Income Tax Act* (Canada). This section of the Bill, enacting new sections 14 to 49 of the Act, also enacts some substantive changes to the Act. The following matters should be noted:

1. The provision formerly found in clause *l* of subsection 1 of section 22 of the Act, with respect to the deduction of 5/12ths from the amount otherwise deductible as a management fee in certain circumstances, is now an inclusion of that amount in income as provided in subsection 6 of the new section 14.
2. Certain sections have been deleted as they have become redundant as a result of the adoption of the various provisions of the *Income Tax Act* (Canada). For example, because of the adoption of sections 20 and 60 (deductions) and 56 (inclusions) of the *Income Tax Act* (Canada), the sections of the Act dealing with co-operative corporations (section 113) and certain deferred income arrangements (sections 118, 119 and 120 of the Act) became redundant and are no longer required.
3. Certain sections have been amended for clarification, for example, clause *c* of subsection 8 of the new section 14 amends the wording of the former subsection 2 of section 22 of the Act.
4. The new section 29 of the Act relating to charitable donations and gifts to Her Majesty represents a change from the former section 98 of the Act, in that gifts to provinces other than Ontario will now be fully deductible, in line with the treatment given to such gifts under the *Income Tax Act* (Canada) and by the other provinces. The former section 98 limited this deduction to 20 per cent of the donor corporation's income.
5. The new section 45 of the Act adds a section adopting the provisions of the *Income Tax Act* (Canada) with respect to deposit insurance corporations.
6. The former section 115 of the Act relating to insurance companies has been simplified as a result of the adoption of the various other provisions of the *Income Tax Act* (Canada); however, the new section 46 does not make any substantive change in the taxation of such companies.

(2) In the application of the said section 3 for the purposes of this Act, the reference in paragraph *c* thereof to "subdivision *e*" shall be deemed to be a reference to Subdivision D of Part II of this Act. Interpretation

7. Section 13 of the said Act is repealed and the following substituted therefor: s. 13, re-enacted

13. Except as hereinafter provided, section 4 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said section applies to corporations. Income or loss from a source or from sources in a place  
R.S.C. 1952, c. 148

8. Part II of the said Act, exclusive of sections 8 to 13*a*, as amended by the Statutes of Ontario, 1973, chapter 42, sections 3 to 9, 1973, chapter 157, sections 2 to 11, 13 to 15 and 17 to 31, 1974, chapter 75, sections 3 to 6 and 8, 1975, chapter 17, sections 4 to 56 and 58 to 63, 1976, chapter 32, sections 2 to 16, 1976, chapter 63, section 1, 1976, chapter 80, section 1 and 1977, chapter 16, sections 1 and 2, is repealed and the following substituted therefor: Pt. II, (ss. 14-49, re-enacted), (ss. 50-122, repealed)

#### SUBDIVISION A—INCOME OR LOSS FROM A BUSINESS OR PROPERTY

14.—(1) Except as hereinafter provided, the income or loss of a corporation for a taxation year from a business or property shall for the purposes of this Act be determined in accordance with subdivisions *a* and *b* of Division B of Part I of the *Income Tax Act* (Canada) and the said subdivisions *a* and *b* are applicable to this Act in so far as the said subdivisions apply to corporations. Application of R.S.C. 1952, c. 148

(2) In the application of section 10 of the *Income Tax Act* (Canada) for the purposes of this Act the amount determined for the purposes of the *Income Tax Act* (Canada) as the value of property described in an inventory is applicable for the purposes of this Act, except that, Inventory of land

- (a) where land is included in an inventory of a corporation and the corporation has, in calculating its income for the taxation year or any previous taxation year, deducted an amount referred to in clause *c* of subsection 8 in respect of such land, the amount so deducted shall not be included in determining the value of the inventory for the purposes of subsection 1; and
- (b) the Minister may determine the value of the property described in an inventory for the purposes

of assessment under this Act if he is of the opinion that the values have been incorrectly determined by the corporation.

Payment or refund of a fee under Ontario Beef Calf Income Stabilization Program to be included in income

(3) In addition to any other amount required by virtue of subsection 1 to be included in computing the income of a corporation for a taxation year as income from a business or property, there shall be included any amount received by the corporation as a stabilization payment or refund of a fee under the Ontario Beef Calf Income Stabilization Program.

Disposition of depreciable property:

(4) In the application of section 13 of the *Income Tax Act* (Canada) for the purposes of this Act, the following rules apply,

Undepreciated capital cost

(a) subsections 7.1 and 10 of the said section 13 and subparagraph vi of paragraph *f* of subsection 21 of the said section 13 are not applicable in determining the capital cost or the undepreciated capital cost of depreciable property of a prescribed class for the purposes of this Act and the regulations;

Reduction of capital cost by amount of government assistance

(b) where a corporation has received or is entitled to receive a grant, subsidy, forgivable loan, investment allowance or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, other than an amount,

(i) authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Treasury Board of the Government of Canada in respect of scientific research expenditures incurred for the purpose of advancing or sustaining the technological capability of Canadian manufacturing or other industry,

R.S.C. 1970,  
c. I-10

(ii) authorized to be paid under the *Industrial Research and Development Incentives Act* (Canada) or the *Area Development Incentives Act* (Canada) and approved by the Minister, or

1965, c. 12  
(Can.)

R.S.C. 1952,  
c. 148

(iii) deducted as an allowance under section 65 of the *Income Tax Act* (Canada) or section 19 of this Act,



7. Subsection 12 of the new section 14 of the Act (non-capital loss on the disposition of shares of a V.I.C.), subsection 5 of the new section 15 of the Act (capital loss on disposition of shares of a V.I.C.), subsections 4, 5 and 6 of the new section 16 of the Act (amounts to be included in income on the disposition of the shares of a V.I.C.), subsection 5 of the new section 25 of the Act (transfer of the shares of a V.I.C. on an amalgamation or winding-up) and the new section 31 of the Act (deduction from taxable income on acquisition of shares of a V.I.C.) are all new provisions, contained in section 8 of the Bill, relating to the treatment of the acquisition and disposition of shares of a company registered under *The Venture Investment Corporations Registration Act, 1977*, and will come into force on proclamation when *The Venture Investment Corporations Registration Act, 1977*, is proclaimed into force.

Basically, a corporation will be allowed a deduction from taxable income earned in Ontario equal to 250 per cent of its investment in the shares of a V.I.C., and the amount eligible for such deduction not used in the year may be carried forward indefinitely. On the disposition of such shares, 250 per cent of the proceeds will be included in the investor's income for the year of the disposition. Recoveries in excess of the original cost of the shares will be treated as capital gains. Non-capital losses on the disposition of such shares will not be allowed, and capital losses on such dispositions will be limited, since the deferred taxes on the loss portion of the investment will not be recovered.



the capital cost of the property to the corporation shall be deemed to be the amount by which the aggregate of,

- (iv) the capital cost thereof to the corporation, otherwise determined, and
- (v) such part, if any, of the assistance as has been repaid by the corporation pursuant to an obligation to repay all or part of that assistance,

exceeds,

- (vi) the amount of assistance.

(5) In the application of section 17 of the *Income Tax Act* (Canada) for the purposes of this Act, subsection 2 thereof does not apply in determining whether an amount shall be included in the income of a corporation in accordance with subsection 1 thereof.

(6) Where an amount in respect of,

- (a) a management or administration fee or charge;
- (b) a rent, royalty or a similar payment; or

- (c) a right in or to the use of motion picture film or films or video tapes for use in connection with television that have been or are to be used or reproduced in Canada,

Management fee, rent and similar payment to non-resident to be included in income

is paid or payable by a corporation to a non-resident person with whom it was not dealing at arm's length, the corporation shall include 5/12ths of such amount in computing its income from a business or property for the taxation year in which the amount was subjected to tax under paragraph *a*, *d* or *e* of subsection 1 of section 212 of the *Income Tax Act* (Canada) or subsection 5 of that section, except that clause *b* does not apply where the non-resident person to whom the amount is paid or payable is a corporation liable to the taxes imposed under this Act by virtue of clause *b* of subsection 2 or clause *b* of subsection 3 of section 2.

R.S.C. 1952, c. 148

(7) Section 19.1 of the *Income Tax Act* (Canada) is not applicable in computing the income of a corporation from a business or property for a taxation year for the purposes of this Act.

Advertising expense on foreign broadcasting undertaking

Deductions  
allowed

(8) Subsection 2 of section 18 of the *Income Tax Act* (Canada) and paragraphs *a* and *v.1* of subsection 1 of section 20 of that Act are not applicable in computing the income of a corporation for a taxation year from a business or property for the purposes of this Act, and in lieu thereof there may be deducted such of the following amounts as are applicable:

Capital cost  
of property

(a) such part of the capital cost to the corporation of property, or such amount in respect of the capital cost to the corporation of property, as is allowed by regulation;

Fee under  
Ontario Beef  
Calf Income  
Stabilization  
Program

(b) an amount paid by the corporation in the taxation year as a fee under the Ontario Beef Calf Income Stabilization Program;

Certain  
interest  
and property  
taxes on land

(c) notwithstanding paragraph *c* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as made applicable to this Act but subject to subsection 3 of section 18 of the said Act, any amount paid or payable by the corporation in the year and after 1971 as, on account or in lieu of payment of, or in satisfaction of,

(i) interest on borrowed money used to acquire land or on an amount payable by the corporation for land, or

(ii) property taxes, not including income or profits taxes or taxes computed by reference to the transfer of property, paid or payable by the corporation in respect of land to a province or a Canadian municipality,

if, having regard to all the circumstances, including the cost to the corporation of the land in relation to its gross revenue, if any, therefrom for that or any previous year, the land can reasonably be considered to have been, in that year,

(iii) included in the inventory of a business carried on by the corporation,

(iv) otherwise used in, or held in the course of, carrying on a business carried on by the corporation, or

(v) held primarily for the purpose of gaining or producing income of the corporation from the land for that year,

and if none of subclauses iii, iv and v is applicable, then the deduction under this clause is permitted only to the extent that the corporation's gross revenue, if any, from the land for that year exceeds the aggregate of all other amounts deducted in computing its income from the land for that year;

- (d) such amount as is allowed to the corporation by <sup>Resource allowance</sup> regulation in respect of oil or gas resources in Canada, as defined by regulation.

(9) In the application of paragraph *n* of subsection 1 of <sup>Deductions not allowed</sup> section 20 of the *Income Tax Act* (Canada) for the purposes of this Act,

- (a) notwithstanding subsection 8 of section 20 of the *Income Tax Act* (Canada), the said paragraph *n* does <sup>No deduction in respect of property in certain circumstances</sup> not apply to allow a deduction in computing the income of a corporation for a taxation year from a business in respect of a property sold in the course of the business if the corporation at the end of the taxation year or at any time in the immediately following taxation year,

(i) was exempt from tax under any provision of this Part, or

(ii) ceased to have a permanent establishment in Canada; and

- (b) the said paragraph *n* does not apply to allow a <sup>No deduction in respect of sale of property if security disposed of</sup> deduction in computing the income of a corporation for a taxation year from a business where the corporation has, in the taxation year sold, pledged, assigned or in any way disposed of any security received by it as payment in whole or in part for the sale of property in respect of which the corporation has, in that or a previous taxation year, been allowed a deduction under that paragraph for the purposes of this Act.

(10) In the application of paragraph *s* of subsection 1 of <sup>Interpretation R.S.C. 1952, c. 148</sup> section 20 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference therein to "Minister" shall be deemed to be a reference to the Minister of National Revenue for Canada.

(11) Section 27 of the *Income Tax Act* (Canada) is not <sup>Crown corporations</sup> applicable for the purposes of this Act and in lieu thereof the following provisions shall apply:

Prescription

1. Where a corporation referred to in paragraph *d* of subsection 1 of section 149 of the *Income Tax Act* (Canada) is otherwise exempt under section 49 of this Act and subsection 1 of section 135 of this Act, such exemptions do not apply if the corporation is prescribed by regulation.

Transfers of  
land for  
disposition

2. Where land has been transferred to a corporation prescribed in the regulations for the purpose of disposition, the acquisition of the property by the corporation and any disposition thereof shall be deemed not to have been in the course of the business carried on by the corporation.

Loss on  
disposition  
of shares  
of a  
Venture  
Investment  
Corporation  
1977, c. 10

- (12) Where in a taxation year a corporation has incurred a loss, other than a capital loss, from the disposition of property that is shares of the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*, such loss shall not be allowed in computing the income or loss of the corporation from a business or property for the taxation year.

#### SUBDIVISION B—TAXABLE CAPITAL GAINS AND ALLOWABLE CAPITAL LOSSES

Application  
of  
R.S.C. 1952,  
c. 148

- 15.—(1) Except as hereinafter provided, the taxable capital gains and allowable capital losses of a corporation for a taxation year from the disposition of any property shall for the purposes of this Act be determined in accordance with subdivision c of Division B of Part I of the *Income Tax Act* (Canada) and the said subdivision c is applicable to this Act in so far as the said subdivision applies to corporations.

Idem

- (2) Paragraph *c* of subsection 1 of section 48 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act.

Idem

- (3) In the application of paragraph *a* of subsection 2 of section 40 of the *Income Tax Act* (Canada) for the purposes of this Act, subparagraph *i* thereof shall be read as though the words “was not resident” were deleted and the words “ceased to have a permanent establishment” were inserted in lieu thereof.

Adjustments  
to cost base

- (4) In computing the adjusted cost base to a corporation of property in accordance with the provisions made applicable by subsection 1, the following rules apply for the purposes of this Act,



- (a) where the property is a foreign resource property, there shall be added to the cost of the property to the corporation that part of the foreign exploration and development expenses incurred by the corporation after 1971 with respect to the property that is not allowed as a deduction from income for purposes of this Act;
- (b) clause B of subparagraph ii of paragraph c of subsection 2 of section 53 of the *Income Tax Act* <sup>R.S.C. 1952, c. 148</sup> (Canada) shall apply as if the words "foreign exploration and development expenses" were deleted;
- (c) subparagraph i of paragraph k of subsection 2 of section 53 of the *Income Tax Act* (Canada) shall apply,
  - (i) as if the words "deduction from tax" were deleted, and
  - (ii) as if the reference in clause B thereof to section 65 were a reference to the said section 65 and to section 19 of this Act;
- (d) where the property is a foreign resource property, there shall be deducted in respect of such property any amount that has become receivable by the corporation at a particular time in a taxation year as the result of a transaction that occurred after the 6th day of May, 1974, in which the consideration given by the corporation for the amount was property or services the original cost of which may reasonably be regarded as having been foreign exploration and development expenses.

(5) Notwithstanding the rules contained in subsection 1 of section 40 of the *Income Tax Act* (Canada) as made applicable by subsection 1 of this section, a corporation's capital loss from the disposition of property that is shares in the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*, is the amount <sup>Capital loss on disposition of shares of a Venture Investment Corporation 1977, c. 10</sup> by which,

- (a) the capital loss in respect of such disposition, otherwise determined,

exceeds,

- (b) the amount in respect of such shares that was deducted under section 31 minus the amount included in income under subsection 4 of section 16.

Interpre-  
tation

(6) In this Subdivision,

- (a) "foreign exploration and development expenses" incurred by a corporation means,

(i) any drilling or exploration expense, including any general geological or geophysical expense, incurred by it on or in respect of exploring or drilling for petroleum or natural gas outside Canada,

(ii) any prospecting, exploration or development expense incurred by it in searching for minerals outside Canada,

(iii) any annual payment made by the corporation for the preservation of a foreign resource property, and

(iv) its share of the foreign exploration and development expenses incurred by any association, partnership or syndicate in a fiscal period thereof, if at the end of that fiscal period it was a member or partner thereof;

- (b) "foreign resource property" of a corporation means any property that would be a Canadian resource property of the corporation within the meaning of paragraph c of subsection 15 of section 66 of the *Income Tax Act* (Canada) if that paragraph were read as if the references therein to "in Canada" were references to "outside Canada" and were read without reference to the words "after 1971".

R.S.C. 1952,  
c. 148

#### SUBDIVISION C—OTHER SOURCES OF INCOME

R.S.C. 1952,  
c. 148  
Part I (B) (d)  
applicable

16.—(1) Except as hereinafter provided, subdivision d of Division B of Part I of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said subdivision applies to corporations.



(2) In the application of subsection 1 of section 56 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference in subparagraph i of paragraph 1 thereof to "this Act" shall be deemed to be a reference to both the *Income Tax Act* (Canada) and this Act.

Interpre-  
tation  
R.S.C. 1952,  
c. 148

(3) Section 59 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act, and in lieu thereof the following provisions apply,

Disposition  
of resource  
property

(a) where a corporation disposes of,

Amount  
receivable as  
consideration  
for disposition  
of resource  
property

(i) a Canadian resource property, or

(ii) any right, licence or privilege described in subsection 12 of section 58 of *The Corporations Tax Act*, as it read in its application to taxation years prior to 1972, that was acquired by the corporation,

(A) before 1972 in the case of,

1. a corporation that is a principal-business corporation within the meaning given to that expression by subsection 14 of section 20 or that was, at the time it acquired the property, such a principal-business corporation, or

2. an association, partnership or syndicate described in subsection 4 of section 83A of the *Income Tax Act* (Canada) as it read in its application to the 1971 taxation year, and

(B) after April 10, 1962 and before 1972, in any other case,

under an agreement or other contract or arrangement described therein,

the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the taxation year, to the extent that the proceeds become receivable in that year;

(b) there shall be included in computing a corporation's income for a taxation year any amount in respect of,

Amount  
deducted  
under s. 18  
in preceding  
year

(i) a Canadian resource property, or

(ii) any property referred to in subclause ii of clause *a* or in clause *c*,

that has been deducted under section 18 in computing the corporation's income for the immediately preceding taxation year;

Disposition of  
resource  
property  
acquired  
before 1972

R.S.C. 1952,  
c. 148

(c) where a corporation has made a disposition of property owned, or deemed to have been owned, by it on the 31st day of December, 1971 and thereafter without interruption until the date of disposition that is property described in any of subparagraphs i to vi of paragraph *c* of subsection 15 of section 66 of the *Income Tax Act* (Canada) and is not property described in subclause ii of clause *a*, the following rules apply,

(i) the relevant percentage of the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the taxation year to the extent that the proceeds become receivable, and

(ii) where the corporation and the person who acquired the property were not dealing with each other at arm's length, for the purposes of this subsection and section 20,

(A) the cost to that person of the property shall be deemed to be the amount included in the corporation's income by virtue of subclause i in respect of the disposition by the corporation of the property, and

(B) when that person subsequently disposes of the property or any right or interest therein, that person shall be deemed to have owned the property on the 31st day of December, 1971 and thereafter without interruption until the disposition thereof;

Interpre-  
tation

(d) in this subsection,

(i) "relevant percentage" has the meaning given to that expression by subsection 4 of section 59 of the *Income Tax Act* (Canada),

- (ii) “disposition” and “proceeds of disposition” have the meaning given to those expressions by section 54 of the *Income Tax Act* (Canada), R.S.C. 1952, c. 148

(4) In addition to any other amount that is required to be included in computing the income of a corporation for a taxation year by virtue of the provisions of subdivision d of Division B of Part I of the *Income Tax Act* (Canada) that are made applicable by subsection 1 of this section, there shall be included the following amounts:

- (a) where, in a taxation year, shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977*, c. 10 have been disposed of by the corporation, an amount equal to the aggregate of,

- (i) 250 per cent of the lesser of,

(A) the cost to the corporation of the said shares disposed of, and

(B) the proceeds of disposition of such shares, and

- (ii) that proportion of the amount determined under subclause i that,

(A) the taxable income of the corporation for the year, determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

(B) the amount by which the taxable income of the corporation for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A; and

- (b) where at a particular time in the taxation year the registration of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* (hereinafter in this subsection referred to as the V.I.C.) has been revoked pursuant to section 6 of that Act and at the particular time

the corporation owned shares of the capital stock of the V.I.C., an amount equal to the aggregate of,

- (i) 250 per cent of the cost to the corporation of the said shares, and
- (ii) that proportion of the amount determined under subclause i that,
  - (A) the taxable income of the corporation for the year, determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (B) the amount by which the taxable income of the corporation for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A.

Idem

1977, c. 10

(5) Where in a taxation year a corporation that owns shares in the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has ceased to have a permanent establishment in Ontario within the meaning of section 7, the corporation shall for the purposes of subsections 4 and 6 of this section be deemed to have disposed of the shares in that year for proceeds equal to the cost to the corporation of the shares.

Idem

(6) Where in a taxation year a corporation that owns shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has disposed of or is deemed to have disposed of any of those shares, or the registration of the corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has been revoked pursuant to section 6 of that Act, and all of the taxable income of the corporation for the year, determined without reference to this subsection, is deemed for the purposes of section 34 to have been earned in jurisdictions other than Ontario, the following rules apply,

- (a) the amount of the corporation's taxable income for the year shall be determined as if it has no income other than the amount determined under clause *a* or *b* of subsection 4, as the case may be;

- (b) the only amounts deductible under this Act by the corporation in determining its taxable income for the year shall be its undeducted eligible expenditures, within the meaning of section 31, as at the end of the immediately preceding taxation year; and
- (c) for the purposes of section 34, no portion of the corporation's taxable income as determined under clauses *a* and *b* shall be deemed to have been earned in jurisdictions other than Ontario.

#### SUBDIVISION D—DEDUCTIONS IN COMPUTING INCOME

17.—(1) Except as hereinafter provided, section 60 of the *Income Tax Act* (Canada), is applicable for the purposes of this Act in so far as the said section applies to corporations.

Application  
of  
R.S.C. 1952,  
c. 148, s. 60

(2) In the application of subparagraph i of paragraph o of the said section 60 for the purposes of this Act, the reference therein to "this Act" shall be deemed to be a reference to both the *Income Tax Act* (Canada) and this Act.

Interpre-  
tation

R.S.C. 1952,  
c. 148

(3) In addition to the deductions permitted by virtue of subsection 1, there may be deducted in computing the income of a corporation for a taxation year all corporation taxes payable in the taxation year by the corporation.

Corporation  
taxes  
deductible

(4) In this section,

Interpre-  
tation

(a) "corporation income tax" means a tax imposed by the Parliament of Canada or by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax of general application on the profits of corporations;

(b) "corporation tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax on corporations, but does not include,

(i) a corporation income tax, or

(ii) any other tax declared by the regulations not to be a corporation tax.

18.—(1) In computing a corporation's income for a taxation year, in this subsection referred to as the "current year", where,

Reserve in  
respect of  
consideration  
for disposition  
of resource  
property not  
due until  
subsequent  
year



- (a) by virtue of clause *a* or *c* of subsection 3 of section 16, subsection 11 of section 20, or clause *a* of subsection 12 of section 20, an amount has been included in computing the corporation's income for the current year or a previous taxation year; or
- (b) an amount referred to in paragraph *b* of subsection 1 of section 64 of the *Income Tax Act* (Canada) has been included in computing, for the purposes of this Act, the corporation's income for that previous taxation year,

in respect of the disposition of any property and that amount or a part thereof is not due until a day that is after the end of the current year, there may be deducted as a reserve in respect of that amount the part thereof that is not due until a day that is after the end of the current year, not exceeding, where the property was disposed of in a taxation year preceding the current year, any amount deducted under this subsection in respect of the disposition of the property in computing the corporation's income for the taxation year immediately preceding the current year, and for greater certainty, no deduction may be made in respect of that amount under paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of section 14 of this Act.

R.S.C. 1952,  
c. 148

Application of  
subs. 1

(2) Subsection 1 does not apply to allow a deduction in computing the income of a corporation for a taxation year if the corporation, at any time in the taxation year or in the immediately following taxation year,

- (a) ceases to be a resident of Canada;
- (b) becomes exempt from tax under any provision of this Part; or
- (c) if a non-resident, ceases to have a permanent establishment in Canada.

Application  
of section

(3) For the purpose of clause *d* of subsection 2 of section 1, this section applies in lieu of section 64 of the *Income Tax Act* (Canada).

Allowance for  
oil or gas well,  
mine or  
timber limit

19.—(1) There may be deducted in computing a corporation's income for a taxation year such amount as an allowance, if any, in respect of,

- (a) an oil or gas well, mineral resource or timber limit;  
or

- (b) the processing, to the prime metal stage or its equivalent, of ore from a mineral resource,

as is allowed by regulation.

(2) For greater certainty it is hereby declared that, in the Regulations case of a regulation made under subsection 1,

- (a) there may be prescribed by such regulation an amount in respect of any or all,

(i) oil or gas wells or mineral resources in which the corporation has an interest, or

(ii) processing operations described in clause *b* of subsection 1 that are carried on by the corporation; and

- (b) notwithstanding any other provision contained in this Act, the Lieutenant Governor in Council may prescribe the formula by which the amount that may be allowed to the corporation by such regulation shall be determined.

(3) Where a deduction is allowed under subsection 1 in respect of a coal mine operated by a lessee, the lessor and lessee may agree as to what portion of the allowance each may deduct and, in the event that they cannot agree, the Minister may fix the portions. Lessee's share of allowance

(4) For the purpose of clause *d* of subsection 2 of section 1, this section applies in lieu of section 65 of the *Income Tax Act* (Canada). Application R.S.C. 1952, c. 148

20.—(1) A principal-business corporation may deduct, in computing its income for a taxation year, the lesser of, Exploration and development expenses of principal-business corporations

- (a) the aggregate of such of its Canadian exploration and development expenses as were incurred by it before the end of the taxation year, to the extent that they were not deductible in computing income for a previous taxation year; and

- (b) of that aggregate, an amount equal to its income for the taxation year if no deduction were allowed under this section or section 19, minus the deductions allowed for the taxation year by subsection 5 and by sections 112 and 113 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

Expenses of  
other  
corporations

(2) A corporation other than a principal-business corporation may deduct, in computing its income for a taxation year, the lesser of,

(a) the aggregate of such of its Canadian exploration and development expenses as were incurred by it before the end of the taxation year to the extent they were not deductible in computing its income for a previous taxation year; and

(b) of that aggregate, the amount, if any, by which the greater of,

(i) such amount as the corporation may claim, not exceeding 20 per cent of the aggregate determined under clause *a*, and

(ii) the aggregate of,

(A) such part of its income for the taxation year as may reasonably be regarded as attributable to the production of petroleum or natural gas from wells in Canada or to the production of minerals from mines in Canada,

(B) its income for the taxation year from royalties in respect of an oil or gas well in Canada or a mine in Canada, and

(C) the aggregate of amounts each of which is an amount, in respect of a Canadian resource property or a property referred to in subclause ii of clause *a* of subsection 3 of section 16 or clause *c* of subsection 3 of section 16 that has been disposed of by it, equal to the amount, if any, by which,

1. the amount included in computing its income for the taxation year by virtue of subsection 3 of section 16 in respect of the disposition of the property,

exceeds,

2. the amount deducted under section 18 in respect of the property in computing its income for the taxation year,



if no deductions were allowed under section 19,

exceeds,

- (iii) the amount of any deduction allowed by the *Corporations Tax Application Rules, 1972* in respect of this subclause in computing its income for the taxation year.

(3) A corporation other than a principal-business corporation may deduct, in computing its income for a taxation year, the lesser of,

Ontario  
exploration  
and  
development  
expenses:  
corporation  
other than  
a principal-  
business  
corporation

- (a) the aggregate of such of its Ontario exploration and development expenses as were incurred by it before the end of the taxation year to the extent that they were not deducted in computing its income for a previous year, minus that portion of the deduction allowed, if any, in computing its income for the taxation year under subsection 2 which is reasonably attributable to Ontario exploration and development expenses; and

- (b) that portion of the amount determined under clause *a* equal to the amount of its income for the taxation year if no deductions were allowed under this section, minus,

- (i) that portion of the deduction allowed for the taxation year under subsection 2 which is reasonably attributable to Ontario exploration and development expenses, and

- (ii) the deduction allowed for the taxation year under sections 112 and 113 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act. R.S.C. 1952, c. 148

(4) Subsection 3 of section 16, section 18 and subsections 2 and 3 do not apply in computing the income for a taxation year under this Part of a corporation, other than a principal-business corporation, whose business includes trading or dealing in rights, licences or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons. Dealers

Canadian  
exploration  
and  
development  
expenses  
deductible  
by successor  
corporation  
and second  
successor  
corporation  
R.S.C. 1952,  
c. 148

(5) There may be deducted in computing the income for a taxation year of a corporation that is a successor corporation or a second successor corporation, as the case may be, within the meaning of subsection 6 or 7 of section 66 of the *Income Tax Act* (Canada), the amount, if any, that would be deductible by it under either of those subsections on the basis that the reference in paragraph *b* of each of the said subsections,

(a) to "this section" is deemed to be a reference to this section of this Act;

(b) to section 65 is deemed to be a reference to section 19 of this Act;

(c) to subsection 2 of section 66.1 does not apply; and

(d) to the *Income Tax Application Rules, 1971*, is deemed to be a reference to the *Corporations Tax Application Rules, 1972*.

Joint  
exploration  
corporation:  
renunciation  
of its  
exploration  
and develop-  
ment expenses  
in favour  
of shareholder  
corporation

(6) The portion, if any, of its Canadian exploration and development expenses that a joint exploration corporation may renounce in favour of a shareholder corporation shall be determined in accordance with the rules provided in subsection 10 of section 66 of the *Income Tax Act* (Canada) and paragraphs *a* and *b* of the said subsection are applicable, except that for the purposes of this subsection,

(a) the references in the said subsection to subsections 1 and 3 of that section shall be deemed to be references to subsections 1 and 2 of this section; and

(b) the references in paragraph *b* of the said subsection to paragraph *a* of subsection 1 of that section shall be deemed to be a reference to clause *a* of subsection 1 of this section.

Control  
change

(7) Subsection 11 of section 66 of the *Income Tax Act* (Canada) is applicable for the purposes of this section, except that, in its application for the purposes of this section, the said subsection shall be read without the reference therein to "cumulative Canadian exploration expense, cumulative Canadian development expense and foreign exploration and development expenses".

Computation  
of explora-  
tion and  
development  
expenses

(8) In computing the Canadian exploration and development expenses and Ontario exploration and development expenses of a corporation,

(a) there shall be deducted the aggregate of all amounts paid to it after 1971 and before the 25th day of May, 1976,

- (i) under the *Northern Mineral Exploration Assistance Regulations* (Canada) made under an *Appropriation Act* (Canada) that provides for payments in respect of the Northern Mineral Grants Program,
- (ii) pursuant to any agreement entered into between the corporation and Her Majesty in right of Canada under the Northern Mineral Grants Program or the Development Program of the Department of Indian Affairs and Northern Development, or
- (iii) under the *Mineral Exploration Assistance Program* (Ontario),

to the extent that the amounts have been expended by the corporation as or on account of Canadian exploration and development expenses or Ontario exploration and development expenses, as the case may be; and

- (b) there shall be included any amount, except an amount in respect of interest, paid by the corporation, after 1971 in respect of amounts paid to it before the 25th day of May, 1976, under the Regulations referred to in subclause i of clause a to Her Majesty in right of Canada and under the *Mineral Exploration Assistance Program* (Ontario) to Her Majesty in right of Ontario.

(9) Except as otherwise provided in this section, where a corporation has incurred an outlay or expense in respect of which a deduction from income is authorized under more than one provision of this section, the corporation is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction. Limitations

(10) Notwithstanding subsection 9, a corporation that is entitled to a deduction under both subsections 2 and 3 may, in addition to the deduction under subsection 2, deduct such additional amount as it may claim in respect of Ontario exploration and development expenses under subsection 3. Idem

(11) Except as expressly otherwise provided in this Act, where, as a result of a transaction occurring after the 6th day of May, 1974, an amount has become receivable by a corporation at a particular time in a taxation year and the consideration given by the corporation therefor was property (other than a property referred to in subsection 3 of section Limitations of Canadian exploration and development expenses

16 or a share or interest therein or a right thereto) or services, the original cost of which to the corporation may reasonably be regarded as having been primarily Canadian exploration and development expenses of the corporation or would have been so regarded if they have been incurred by the corporation after 1971, there shall be included in its income for that taxation year the amount that became receivable by it at that time.

Unitized oil  
or gas field  
in Canada

(12) Where, pursuant to an agreement between a corporation and another person to unitize an oil or gas field in Canada, an amount has become receivable by the corporation at a particular time after the 6th day of May, 1974 from that other person in respect of Canadian exploration and development expenses incurred by the corporation, or expenses that would have been Canadian exploration and development expenses if they had been incurred by it after 1971, in respect of that field or any part thereof, the following rules apply,

- (a) there shall, at that time, be included in computing the corporation's income for the taxation year the amount that became receivable by it; and
- (b) there shall, at that time, be included by the other person, where that person is a corporation, in its drilling or exploration expense the amount that became payable by that person.

Amount  
deemed  
deductible  
under this  
Subdivision

(13) For the purposes of section 12, any amount deductible under the *Corporations Tax Application Rules, 1972* in respect of this subsection shall be deemed to be deductible under this Subdivision.

Interpre-  
tation  
R.S.C. 1952,  
c. 148

(14) In this section and in the provisions of the *Income Tax Act* (Canada) made applicable for the purposes of this section,

- (a) "agreed portion" has the meaning given to that expression by paragraph *a* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (b) "Canadian exploration and development expenses" incurred by a corporation means,
  - (i) any drilling or exploration expense, including any general geological or geophysical expense, incurred by the corporation after 1971 on or in respect of exploring or drilling for petroleum or natural gas in Canada,



- (ii) any prospecting, exploration or development expense incurred by it after 1971 in searching for minerals in Canada,
  - (iii) notwithstanding paragraph *m* of subsection 1 of section 18 of the *Income Tax Act* (Canada),<sup>R.S.C. 1952, c. 148</sup> as that section applies to this Act by virtue of section 14 of this Act, the cost to the corporation of a Canadian resource property, but for greater certainty not including any payment made to any of the persons referred to in any of the subparagraphs i to iii of the said paragraph *m* for the preservation of a person's rights in respect of a Canadian resource property or a property that would have been a Canadian resource property if it had been acquired by the corporation after 1971, and not including a payment to which the said paragraph *m* applied by virtue of subparagraph v thereof,
  - (iv) the corporation's share of any of the expenses referred to in subclauses i, ii and iii incurred after 1971 by any association, partnership or syndicate in a fiscal period thereof, if at the end of that fiscal period the corporation was a member or partner thereof, and
  - (v) any expenses referred to in subclauses i, ii and iii incurred after 1971 pursuant to an agreement with another corporation under which the corporation incurred the expense solely in consideration for shares of the capital stock of the other corporation issued to it by the other corporation or any interest in such shares or right thereto,
- but for greater certainty, does not include,
- (vi) any consideration given by the corporation for any share or any interest therein or right thereto, except as provided by subclause v, or
  - (vii) any expense described in subclause v incurred by another person to the extent that the expense was, by virtue of subclause v, a Canadian exploration and development expense of that other person,

but no amount of assistance or benefit that a corporation has received or is entitled to receive after the 25th day of May, 1976 from a government, municipality or other public authority in respect of or related to its Canadian exploration and development expenses, whether as a grant, subsidy, forgivable loan, deduction from royalty or tax, investment allowance or any other form of assistance or benefit, shall reduce the amount of any of the expenses described in any of subclauses i to v;

R.S.C. 1952,  
c. 148

- (c) "drilling or exploration expense" incurred on or in respect of exploring or drilling for petroleum or natural gas has the meaning given to that expression by paragraph *d* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (d) "joint exploration corporation" has the meaning given to that expression by paragraph *g* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (e) "Ontario exploration and development expenses" incurred by a corporation means any expenses that would be Canadian exploration and development expenses incurred by the corporation if clause *b* of this subsection were read as if the references therein to,
  - (i) "in Canada" were references to "in Ontario",
  - (ii) "after 1971" were references to "after the 9th day of April, 1974", and
  - (iii) "Canadian" were references to "Ontario";
- (f) "Ontario resource property" of a corporation means any property that would be a Canadian resource property of the corporation within the meaning of paragraph *c* of subsection 15 of section 66 of the *Income Tax Act* (Canada) if that paragraph were read as if the references therein to,
  - (i) "in Canada" were references to "in Ontario", and
  - (ii) "after 1971" were references to "after the 9th day of April, 1974";

(g) "principal-business corporation" has the meaning given to that expression by paragraph *h* of subsection 15 of section 66 of the *Income Tax Act* (Canada); R.S.C. 1952,  
c. 148

(h) "shareholder corporation" of a joint exploration corporation has the meaning given to that expression by paragraph *i* of subsection 15 of section 66 of the *Income Tax Act* (Canada), except that subparagraph ii thereof shall, in its application for the purposes of this section, be read without the reference therein to "a Canadian exploration expense or a Canadian development expense".

(15) For the purposes of clause *d* of subsection 2 of section 1, this section applies in lieu of sections 66, 66.1 and 66.2 of the *Income Tax Act* (Canada). Application

21. Section 66.3 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as that section applies to corporations. Shares  
taxed as  
inventory

#### SUBDIVISION E—RULES RELATING TO COMPUTATION OF INCOME

22.—(1) The rules provided in subdivision f of Division B of Part I of the *Income Tax Act* (Canada), relating to the computation of income are, in so far as the said rules apply to corporations, applicable in computing income for the purposes of this Act. R.S.C. 1952,  
c. 148,  
Part I (B) (f),  
applicable

(2) In computing income, no deduction shall be made in respect of an outlay or expense in respect of which any amount is otherwise deductible under this Act, except to the extent that the outlay or expense was reasonable in the circumstances. General  
limitation  
re expenses

23.—(1) Section 245 of the *Income Tax Act* (Canada) is applicable in computing income for the purposes of this Act, except that, Artificial  
transactions

(a) paragraph *b* of subsection 2 thereof is not applicable; and

(b) the reference therein to Part I of that Act shall be deemed to be reference to Part II of this Act.



Dividend  
stripping

(2) In computing the income of a corporation for a taxation year there shall be included an amount that is included in computing the income of the corporation under Part XVI of the *Income Tax Act* (Canada) pursuant to section 247 of that Act.

R.S.C. 1952,  
c. 148

#### SUBDIVISION F—AMOUNTS NOT INCLUDED IN COMPUTING INCOME

Amounts not  
included in  
income:

24. There shall not be included in computing the income of a corporation for a taxation year,

federal  
grants  
1965, c. 12  
(Can.)  
R.S.C. 1970,  
cc. I-10, R-3  
1970-71-72,  
c. 56 (Can.)

(a) an amount paid to a corporation on account of a grant under the *Area Development Incentives Act* (Canada), the *Industrial Research and Development Incentives Act* (Canada), the *Regional Development Incentives Act* (Canada), or the *Employment Support Act* (Canada); and

other  
amounts

(b) an amount determined in accordance with the rules provided in paragraphs *b*, *c*, *l* and *m* of subsection 1 of section 81 of the *Income Tax Act* (Canada).

#### SUBDIVISION G—CORPORATIONS RESIDENT IN CANADA AND THEIR SHAREHOLDERS

R.S.C. 1952,  
c. 148,  
Part I (B) (h),  
applicable

25.—(1) Except as hereinafter provided, the rules provided in subdivision h of Division B of Part I of the *Income Tax Act* (Canada) are applicable for the purposes of this Act.

Amalga-  
mations  
consideration  
for resource  
property  
disposition

(2) In lieu of the rule provided in paragraph *p* of subsection 2 of section 87 of the *Income Tax Act* (Canada) with respect to amalgamations, the following rule is applicable for the purposes of this Act:

For the purpose of computing a deduction from the income of the new corporation for a taxation year under section 18, any amount that has been included in computing the income of a predecessor corporation for its last taxation year or a previous taxation year by virtue of clause *a* or *c* of subsection 3 of section 16, or subsection 11 or 12 of section 20, or by virtue of subsection 15 or 16 of section 58 of *The Corporations Tax Act* as it read in its application to the taxation years prior to 1972, shall be deemed to have been included in computing the income of the new corporation for a previous taxation year by virtue thereof.

(3) Paragraph *z* of subsection 2 of the said section 87 is not applicable for the purposes of this Act.

R.S.C. 1952,  
c. 148,  
s. 87 (2) (z),  
not applicable

(4) Paragraph *e.2* of subsection 1 of section 88 of the *Income Tax Act* (Canada) shall, in its application for the purposes of this Act, be read without reference therein to paragraph *z* of subsection 2 of section 87 of the said Act, and as though the reference therein to paragraph *p* of the said subsection 2 were a reference to subsection 2 of this section.

R.S.C. 1952,  
c. 148,  
s. 88 (1) (e. 2),  
applicable

(5) For the purposes of subsection 4 of section 16 and section 31, where a corporation (hereinafter in this section referred to as the "vendor") has transferred shares of the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977* to another corporation (hereinafter in this section referred to as the "purchaser") pursuant to an amalgamation within the meaning of section 87 of the *Income Tax Act* (Canada) or the winding-up of a Canadian corporation within the meaning of section 88 of that Act, or the vendor and the purchaser have jointly elected under section 85 of that Act in respect of those shares, the following rules apply,

Transfer of  
V.I.C.  
shares on  
amalgama-  
tion  
or winding-up  
1977, c. 10

- (a) the vendor shall be deemed to have disposed of the shares for proceeds of disposition equal to the cost to it of the shares; and
- (b) the purchaser shall be deemed to have acquired the shares at a cost equal to the amount determined under clause *a*.

(6) In the application of the said subdivision *h* for the purposes of this Act, the references in section 84.2, paragraphs *g* and *k* of subsection 1 of section 89 and subsection 3 of section 89 of the *Income Tax Act* (Canada), to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

"Minister"  
deemed to  
be Minister  
of National  
Revenue

#### SUBDIVISION H—SHAREHOLDERS OF CORPORATIONS NOT RESIDENT IN CANADA

26.—(1) The provisions of subdivision *i* of Division B of Part I of the *Income Tax Act* (Canada) are applicable in computing the income of a corporation for a taxation year for the purposes of this Act.

R.S.C. 1952,  
c. 148,  
Part I (B) (i),  
applicable

(2) In the application of the said subdivision *i* for the purposes of this Act, the references therein to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

Idem

## SUBDIVISION I—PARTNERSHIPS AND THEIR MEMBERS

R.S.C. 1952,  
c. 148,  
Part I (B) (j),  
applicable

27.—(1) Except as hereinafter provided, the rules provided in subdivision j of Division B of Part I of the *Income Tax Act* (Canada) with respect to partnerships and their members, are applicable for the purposes of this Act in so far as the said rules apply to corporations.

Exception

(2) Subsection 1.6 of section 96 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act.

Members of  
partnerships  
deemed to  
have  
permanent  
establishment  
in Ontario

(3) Where any activity in Ontario of a partnership in a taxation year is such that, if it were a corporation, it would be subject to subsection 2 or 3 of section 2, as the case may be, each corporation that is deemed to be a member of the partnership shall be deemed to be subject to subsection 2 or 3 of section 2, as the case may be, for that taxation year.

## SUBDIVISION J—BENEFICIARIES OF TRUSTS

R.S.C. 1952,  
c. 148,  
Part I (B) (k),  
applicable

28.—(1) In determining for the purposes of this Act the income of a corporation that is a beneficiary of a trust, subdivision k of Division B of Part I of the *Income Tax Act* (Canada) is applicable in so far as the said subdivision applies to corporations that are beneficiaries of trusts, and any amount included in or deducted from the income of a corporation for a taxation year by virtue of that subdivision shall be included or deducted, as the case may be, in computing its income for the taxation year for the purposes of this Act.

Idem

(2) In the application of the said subdivision for the purposes of this Act,

- (a) clause d of subsection 2 of section 1 of this Act does not apply; and
- (b) the references therein to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

## DIVISION C—COMPUTATION OF TAXABLE INCOME

R.S.C. 1952,  
c. 148,  
Part I (C),  
applicable

29.—(1) Except as hereinafter in this Division provided, in computing the taxable income of a corporation for a taxation year, Division C of Part I of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said Division applies to deductions permitted to corporations.

(2) In the application of paragraphs *a*, *b* and *b.1* of sub-section 1 of section 110 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference therein to "receipts" shall be deemed to mean receipts or photostatic reproductions thereof.

Receipts;  
application of  
R.S.C. 1952,  
c. 148,  
s. 110 (1)

(3) For the purposes of this Act, "registered amateur athletic association" and "registered charity" mean respectively an amateur athletic association or a charity that, unless otherwise designated by the Minister, has been registered by the Minister of National Revenue for Canada pursuant to subsection 8 of section 110 of the *Income Tax Act* (Canada) and, unless otherwise designated by the Minister, whose registration has not been revoked.

Interpre-  
tation

(4) In the application, for the purposes of this Act, of subsection 3 of section 111 of the *Income Tax Act* (Canada), paragraph *a* thereof shall be read as if subparagraph ii thereof were deleted.

Losses;  
application of  
R.S.C. 1952,  
c. 148,  
s. 111 (3)

30.—(1) In computing a corporation's taxable income for a taxation year, there may be deducted the aggregate of amounts (the aggregate of which amounts is hereafter in this subsection referred to as "the amount contributed") that are contributions for the purposes of *The Election Finances Reform Act, 1975* and that are contributed in the taxation year, and in any previous taxation year ending after the 12th day of February, 1975 to the extent that such contributions have not already been deducted, by the corporation to registered candidates at an election of a member or members to serve in the Assembly, to registered constituency associations or to registered parties, provided that,

Election  
contributions

1975, c. 12

(a) subject to subsection 3, such deduction shall not exceed the least of,

(i) the amount contributed,

(ii) its taxable income computed without reference to this section, and

(iii) \$4,000; and

(b) payment of each amount that is included in the amount contributed is proven by filing with the Minister receipts that are signed by a recorded agent of the registered candidate, registered constituency association or registered party, as the case may be, and that contain the information prescribed to be shown on such receipts.



Interpre-  
tation

(2) In this section,

- (a) "recorded agent" means a person on record with the Commission on Election Contributions and Expenses as being authorized to accept contributions on behalf of a political party, constituency association or candidate registered under *The Election Finances Reform Act, 1975*;
- (b) "registered candidate", with respect to an election of a member or members to serve in the Assembly, means a person who has been registered as a candidate for such election by the Commission on Election Contributions and Expenses and whose name has not been deleted from the register of candidates maintained by the Commission with respect to such election;
- (c) "registered constituency association" means a registered constituency association within the meaning given to that expression by *The Election Finances Reform Act, 1975*;
- (d) "registered party" means a registered party within the meaning given to that expression by *The Election Finances Reform Act, 1975*.

Corporations  
to which  
s. 34 is  
applicable

(3) In respect of a corporation to which section 34 is applicable, the amount deductible under clause *a* of subsection 1 is the aggregate of,

- (a) the amount which would otherwise be deducted under clause *a* of subsection 1; and
- (b) that proportion of the amount determined under clause *a* that,
  - (i) the taxable income of the corporation that is earned in jurisdictions other than Ontario (as computed for the purposes of section 34 and without reference to this section and section 31),

is to,

- (ii) the amount by which the taxable income of the corporation exceeds the amount referred to in subclause i.

31.—(1) In computing the taxable income of a corporation for a taxation year there may be deducted the lesser of,

Purchase  
of shares  
of Venture  
Investment  
Corporation

(a) the aggregate of,

- (i) the corporation's "eligible expenditure" for the year determined under subsection 2, and
- (ii) that proportion of the amount referred to in subclause i that,

(A) the proportion of the corporation's taxable income determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

(B) the amount by which the corporation's taxable income for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A; and

(b) the taxable income of the corporation for the year determined without reference to this section and section 30.

(2) In this section, a corporation's "eligible expenditure" for a taxation year means the aggregate of,

Interpre-  
tation

(a) the amount of the corporation's "undeducted eligible expenditure" determined under subsection 3 for the immediately preceding taxation year; and

(b) an amount equal to 250 per cent of the cost incurred in the year for the acquisition of shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977*,<sup>1977, c. 10</sup>

(3) For the purposes of subsection 2, a corporation's "undeducted eligible expenditures" means the amount by which,

Interpre-  
tation

(a) its "eligible expenditure" for a taxation year determined under subsection 2,

exceeds,

(b) the amount deducted for that year under subsection 1 minus the proportion thereof that,

(i) the taxable income of the corporation for the year that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

(ii) the taxable income of the corporation for the year.

#### DIVISION D—TAXABLE INCOME EARNED IN CANADA BY NON-RESIDENTS

Non-  
residents'  
taxable  
income  
earned in  
Canada

32. The taxable income earned in Canada for a taxation year of a corporation to which subsection 2 or 3 of section 2 applies shall be computed in accordance with the rules provided in section 115 of the *Income Tax Act* (Canada) in so far as the said rules apply to corporations, except that for the purposes of this Act,

(a) there shall be included income from property that is real property situated in Canada or any interest therein, that arose from the sale or rental thereof or both; and

(b) the amount of the income included in accordance with the said rules and clause *a* shall be determined in accordance with this Act.

#### DIVISION E—COMPUTATION OF INCOME TAX PAYABLE

Rate

33. The tax payable by a corporation under this Part upon its taxable income or taxable income earned in Canada, as the case may be, in this section referred to as the "amount taxable", is 12 per cent of the amount taxable.

Deduction  
from income  
tax

34. There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation an amount equal to 12 per cent of that portion of its taxable income or taxable income earned in Canada, as the case may be, which is earned in the taxation year in each jurisdiction other than Ontario, determined under rules prescribed by the regulations.

Foreign tax  
deduction

35.—(1) Where a corporation has a permanent establishment in Ontario, and,



(a) the corporation has included in computing its income for the taxation year,

(i) income that was derived from sources within a jurisdiction outside Canada in the form of dividends, interest, rents or royalties received in the year,

(ii) income that is deemed to have been received in the form of dividends and interest from a jurisdiction outside Canada by virtue of the provisions of subsection 5 of section 148 of the *Income Tax Act* (Canada), or

R.S.C. 1952,  
c. 148

(iii) the amount by which,

(A) the aggregate of that part of the corporation's taxable capital gains for the taxation year from the disposition of property as may reasonably be considered to be income from a source within a jurisdiction outside Canada,

exceeds,

(B) the aggregate of such of the corporation's allowable capital losses for the year from the disposition of property as may reasonably be considered to be a loss from a source within that jurisdiction outside Canada,

hereinafter in this section referred to as "foreign investment income"; or

(b) the corporation, having included in its income for the taxation year foreign investment income from sources within a jurisdiction outside Canada, also included income from a business carried on by it in that jurisdiction, hereinafter in this section referred to as "foreign business income",

and where,

(c) for the purposes of subsection 2 of section 126 of the *Income Tax Act* (Canada), such foreign investment income has not been included as part of such foreign business income, and, for the purpose of allocating taxable income to a jurisdiction outside Ontario in accordance with the regulations made under sec-

tion 34 such foreign investment income has been excluded from the calculation of gross revenue or any part thereof; and

R.S.C. 1952,  
c. 148

- (d) the corporation is entitled to a deduction under section 126 of the *Income Tax Act* (Canada), hereinafter in this section referred to as "foreign tax credit", with respect to any income or profits tax paid to such jurisdiction on such foreign investment income or on such foreign investment income and foreign business income or is deemed to have been paid as income or profits tax to such jurisdiction by virtue of subsection 5 of section 148 of the *Income Tax Act* (Canada),

the corporation may deduct from the tax otherwise payable under this Part for the taxation year an amount equal to the lesser of,

- (e) 12 per cent of that part of such foreign investment income that is income that is included in that portion of taxable income that remains after deducting from such taxable income the portions thereof deemed to have been earned in jurisdictions other than Ontario for the purpose of section 34; and

(f) the deficiency, if any, between,

- (i) the income or profits tax paid for the taxation year by the corporation to the jurisdiction outside Canada in respect of the foreign investment income referred to in clause e, and

- (ii) the foreign tax credit allowed for the taxation year in respect of such foreign investment income under subsection 1 of section 126 of the *Income Tax Act* (Canada).

Idem

(2) For greater certainty, where the income of a corporation for a taxation year is in whole or in part from sources in more than one jurisdiction outside Canada, subsection 1 shall be read as providing for a separate deduction in respect of each jurisdiction outside Canada.

Small  
business  
incentives

36.—(1) There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation that, with respect to that taxation year, is eligible for a deduction under section 125 of the *Income Tax Act* (Canada), an amount equal to 3 per cent of the amount determined under subsection 2.

(2) For the purposes of subsection 1, the amount determined under this subsection is that proportion of the least of the amounts determined under paragraphs *a*, *b*, *c* and *d* of subsection 1 of section 125 of the *Income Tax Act* (Canada) for the taxation year, not exceeding \$150,000, that,

Idem

R.S.C. 1952.  
c. 148

- (a) the amount of that portion of its taxable income for the taxation year that is deemed to have been earned in Ontario, measured in accordance with paragraph *a* of subsection 4 of section 124 of the *Income Tax Act* (Canada),

bears to,

- (b) the total amount of the portions of its taxable income for the taxation year that are deemed to have been earned in the provinces of Canada, measured in accordance with paragraph *a* of subsection 4 of section 124 of the *Income Tax Act* (Canada).

(3) In lieu of the deduction permitted under subsection 1, for the taxation year that ends after the 6th day of April, 1976, and that includes that day, there may be deducted from the tax otherwise payable under this Part for that taxation year the amount that would otherwise be deductible under section 106*a* as that section stood on the 6th day of April, 1976, determined on the assumption that that section applied to the whole of that taxation year.

Transitional  
rule; alter-  
native  
deduction

(4) Where a corporation has made a deduction under subsection 1 for the taxation year that ends after the 6th day of April, 1976, and that includes that day, in addition to the amount deducted under subsection 1 there may be deducted from the tax otherwise payable under this Part for that taxation year the lesser of,

Transitional  
rule;  
additional  
deduction

- (a) 3 per cent of the amount determined under subsection 2 for that taxation year; and
- (b) the amount that would have been deductible under subsection 3 of section 106*a* as that section stood on the 6th day of April, 1976 had that section applied to that taxation year.

(5) In this section, "tax otherwise payable under this Part" means the tax for the taxation year otherwise payable by the corporation under this Part after making any deduction applicable under sections 34 and 35, but before making any deduction under this section.

Interpre-  
tation

Tax on tax

R.S.C. 1952.  
c. 148

37. Where, under a contract, will or trust, made or created before the 14th day of May, 1953, a person is required to make a payment to a corporation and is required by the terms of the contract, will or trust to pay an additional amount measured by reference to tax payable by such corporation under Part I of the *Income Tax Act* (Canada) and Part II of this Act by reason of the payment,

(a) the tax payable by the corporation under Part II of this Act for the taxation year in or in respect of which such payment is made or becomes payable is the amount that the tax of the corporation under Part II of this Act would be if no amount under the contract were included in computing its income for the taxation year plus,

(i) the amount by which its tax under Part II of this Act would be increased by including in computing its income,

(A) the payment, and

(B) the amount by which its tax under Part I of the *Income Tax Act* (Canada) would be increased by including the payment in computing its income, and

(ii) the amount by which the tax of the corporation under Part II of this Act would be further increased by including, in computing its income for the taxation year, the amount fixed by subclause i or the additional payment, whichever is the lesser; and

(b) if the person required to make the payment is a corporation and would otherwise be entitled to deduct the amounts payable under such a contract in computing its income for a taxation year, such corporation is not entitled to deduct the amount determined under subclause ii of clause a.

#### DIVISION F—SPECIAL RULES APPLICABLE IN CERTAIN CIRCUMSTANCES

Where  
corporation  
bankrupt

38. Where a corporation has become bankrupt, as defined in subsection 3 of section 128 of the *Income Tax Act* (Canada), the rules provided in the said section 128 are applicable for the purposes of this Act.

### *Investment Corporations*

39.—(1) Where a corporation is, throughout a taxation year, an investment corporation, other than a mutual fund corporation, subsections 1, 2 and 3 of section 131 of the *Income Tax Act* (Canada) as made applicable by section 41 of this Act are applicable in respect of the corporation for the taxation year as if, Application of s. 41  
R.S.C. 1952,  
c. 148

- (a) the corporation had been a mutual fund corporation throughout that and all previous taxation years ending after 1971 throughout which it was an investment corporation; and
- (b) its capital gains redemption for that and all previous taxation years ending after 1971, throughout which it would, but for the assumption made by clause *a*, not have been a mutual fund corporation, were nil.

(2) Subsection 6 of section 41 applies to a corporation to which this section applies. Idem

### *Mortgage Investment Corporations*

40. Where a corporation was, throughout a taxation year, a mortgage investment corporation, as defined in subsection 6 of section 130.1 of the *Income Tax Act* (Canada), the rules provided in the said section 130.1 are applicable in computing its income for the taxation year for the purposes of this Act. R.S.C. 1952,  
c. 158, s. 130.1,  
applicable

### *Mutual Fund Corporations*

41.—(1) Except as hereinafter provided, where a corporation is a mutual fund corporation, section 131 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 131,  
applicable

(2) In the application of subparagraph i of paragraph *a* of subsection 2 of the said section 131 for the purposes of this Act, the reference therein to "20%" shall be read as a reference to "6%". Idem

(3) In the application of subsection 3 of the said section 131 for the purposes of this Act, the reference therein to "this Act" shall be deemed to be a reference to this Act. Idem

(4) In the application of clause A of subparagraph i of paragraph *a* and clause C of subparagraph ii of paragraph *b*, Idem



of subsection 6 of the said section 131, for the purposes of this Act, the references therein to "5 times" shall be read as references to "16 $\frac{2}{3}$  times".

Idem

(5) In the application of paragraph *d* of subsection 6 of the said section 131 for the purposes of this Act, subparagraph *i* thereof shall be read without reference to clause C thereof, and the reference to "40%" in clauses A and B of the said subparagraph shall be read as references to "12 per cent".

Apportion-  
ment of  
capital  
gains  
refund

(6) Where a corporation had a permanent establishment in a jurisdiction outside Ontario during a taxation year in respect of which this section applies, the capital gains refund otherwise determined hereunder shall be reduced by that proportion thereof that the taxable income of the corporation that is deemed to have been earned in jurisdictions other than Ontario for the taxation year for the purposes of section 34 bears to its total taxable income or, where its taxable income is nil, the capital gains refund otherwise determined hereunder shall be reduced by that proportion thereof that the corporation's taxable paid-up capital that is deemed to have been used in jurisdictions outside Ontario for that taxation year for the purposes of section 132 bears to its total taxable paid-up capital.

Exceptions  
R.S.C. 1952,  
c. 148

(7) Subsections 5 and 9 of section 131 of the *Income Tax Act* (Canada) and paragraph *c* of subsection 6 of the said section are not applicable for the purposes of this Act.

### *Non-Resident-Owned Investment Corporations*

Computation  
of income

42.—(1) The income of a non-resident-owned investment corporation for a taxation year shall be computed as if its only income for the year was the amount, if any, by which its taxable capital gains for the year exceeds its allowable capital losses for the year, from dispositions of taxable Canadian property or property that would be taxable Canadian property if at no time in the year the corporation had been resident in Canada.

Computation  
of taxable  
income

(2) The taxable income of a non-resident-owned investment corporation for a taxation year is its income determined under subsection 1, minus its net capital losses for taxation years preceding and the taxation year immediately following the taxation year, as determined in accordance with section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

R.S.C. 1952,  
c. 148,  
s. 133 (5, 7.1, 7.2),  
applicable

(3) The provisions of subsections 5, 7.1 and 7.2 of section 133 of the *Income Tax Act* (Canada) are applicable for the purposes of this section.

### *Patronage Dividends*

43.—(1) Except as hereinafter provided, the provisions of section 135 of the *Income Tax Act* (Canada) with respect to the deduction from income of payments made pursuant to allocations in proportion to patronage and the inclusion in income of payments received pursuant to allocations in proportion to patronage are, in so far as they apply to corporations, applicable in computing income for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 135,  
applicable

(2) Subsection 3 of the said section 135 is not applicable for the purposes of this Act. Non-  
application  
of s. 135 (3)

### *Credit Unions*

44.—(1) Except as hereinafter provided, the provisions of section 137 of the *Income Tax Act* (Canada) are applicable in computing the income of credit unions for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 137,  
applicable

(2) Subsections 3 and 4 of the said section 137 and paragraph *c* of subsection 6 of the said section 137 are not applicable for the purposes of this Act. Exceptions

### *Deposit Insurance Corporations*

45.—(1) Except as hereinafter provided, the provisions of section 137.1 of the *Income Tax Act* (Canada) are applicable in computing the income of deposit insurance corporations and member institutions thereof for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 137.1,  
applicable

(2) In the application of subsection 1 of the said section 137.1 for the purposes of this Act, the reference in paragraph *a* thereof to "this Part" shall be deemed to be a reference to Part II of this Act. Idem

(3) Subsection 9 of the said section 137.1 is not applicable for the purposes of this Act. Exception

### *Insurance Corporations*

46.—(1) Notwithstanding any other provision of this Act, except as hereinafter provided, the taxable incomes of insurance corporations that carry on an insurance business in Ontario shall, for the purposes of this Act, be computed in accordance with the rules provided in sections 138, 140, 141, 141.1 and 142 of the *Income Tax Act* (Canada). Calculation  
of taxable  
income



Inter-  
pretation

(2) In the application of subsection 1 of the said section 138 for the purposes of this Act, the reference in paragraph *d* thereof to "this Part" shall be deemed to be a reference to Part II of this Act.

Application  
of rules  
under  
R.S.C. 1952,  
c. 148

47. The rules provided in section 139 of the *Income Tax Act* (Canada), with respect to the conversion of a provincially incorporated life insurance corporation into a mutual corporation, are applicable for the purposes of this Act.

Amounts to  
be included  
in computing  
policy-  
holder's  
income

48. Subsection 2 of section 142 of the *Income Tax Act* (Canada) is, in so far as it applies to corporations, applicable for the purposes of this Act.

## DIVISION G—EXEMPTIONS

## Exemptions

49.—(1) Except as hereinafter provided, no tax is payable under this Part upon the taxable income of a corporation for a period when that corporation was,

Charities  
and other  
corporations

(a) a corporation referred to in paragraph *c, d, e, f, h, l, i, j, k, m, n* or *o* of subsection 1 of section 149 of the *Income Tax Act* (Canada);

Non-profit  
organizations

(b) a club, society or association that, in the opinion of the Minister, was not a charity within the meaning given to that expression by subsection 1 of section 149.1 of the *Income Tax Act* (Canada) and that was organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, which has not in the taxation year or in any previous taxation year distributed any part of its income to any proprietor, member or shareholder thereof, or appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof, unless the proprietor, member or shareholder was a club, society or association, the primary purpose and function of which was the promotion of amateur athletics in Canada; or

Farmers' and  
fishermen's  
insurers

(c) an insurer, who was engaged during the period in no business other than insurance, if, in the opinion of the Minister on the advice of the Superintendent of Insurance, 50 per cent of its gross premium income for the period was in respect of the insurance of farm property, property used in fishing or residences of farmers or fishermen.

(2) Where a corporation described in clause *b* of sub-section 1, Tax payable where distribution made to members or shareholders

(a) has in the taxation year distributed any part of its income or distributed or otherwise appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof, such corporation shall be liable to the taxes imposed under this Act for the taxation year in which the distribution is made and for subsequent taxation years, and in computing its income for the taxation year in which the distribution is made, it shall include the aggregate of its income of all previous taxation years; or

(b) has, after 1971, distributed any of its income or distributed or otherwise appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof on the winding up or discontinuance of its business, the corporation shall be deemed to have received income in that taxation year equal to the amount, if any, by which the amount of the funds and the value of the property distributed or appropriated, as the case may be, exceeds the aggregate of,

(i) amounts paid in by proprietors, members or shareholders on account of capital, and

(ii) that part of the corporation's surplus that is attributed to income that was exempt under this section other than taxable capital gains,

and the corporation shall be liable for the taxes imposed under this Act for the taxation year in which the distribution is made.

(3) For the purposes of clause *b* of subsection 1, in computing the part, if any, of any income that was distributed or otherwise appropriated for the benefit of any person, the amount of such income shall be deemed to be the amount thereof otherwise determined less the amount of any taxable capital gains included therein. Income not to include taxable capital gains

(4) The rules provided in subsections 2, 3, 4, 6, 8, 9 and 10 of section 149 of the *Income Tax Act* (Canada) are applicable for the purposes of this section. Application of rules under R.S.C. 1952, c. 148

Idem

R.S.C. 1952,  
c. 148

(5) In the application of subsection 2 of section 149 of the *Income Tax Act* (Canada) for the purposes of this Act, the said subsection shall be read without the reference therein to paragraph *l*.

s. 126 (1) (c),  
re-enacted

9.—(1) Clause *c* of subsection 1 of section 126 of the said Act is repealed and the following substituted therefor:

(c) all its reserves, whether created from income or otherwise, except any reserve the creation of which is allowed as a deduction under the provisions of Part II, except paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of subsections 1 and 9 of section 14 of this Act.

s. 126 (1) (d),  
re-enacted

(2) Clause *d* of subsection 1 of the said section 126, as re-enacted by the Statutes of Ontario, 1973, chapter 42, section 11, is repealed and the following substituted therefor:

(d) all sums or credits advanced or loaned to the corporation by its shareholders directly or indirectly or by any person related to any of its shareholders or by any other corporation; and

. . . . .

s. 127 (1) (b),  
re-enacted

10.—(1) Clause *b* of subsection 1 of section 127 of the said Act is repealed and the following substituted therefor:

(b) the amount of the discount on the issue or sale of the shares of the corporation.

s. 127 (1) (c),  
re-enacted

(2) Clause *c* of subsection 1 of the said section 127, as amended by the Statutes of Ontario, 1976, chapter 32, section 17, is repealed and the following substituted therefor:

Investments

(c) the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a*, *b* and *d* which the cost of the investments made by the corporation in the shares and bonds of other corporations, in loans and advances to other corporations and in the bonds, debentures and other securities of any government, municipal or school corporation bears to the total of the assets of the corporation remaining after the deductions of the amounts provided by clauses *a*, *b* and *d*, but,

SECTION 9. Subsection 1 of this section amends a cross-reference in clause *c* of subsection 1 of section 126 of the Act. This change is complementary to the amendments made by section 8 of the Bill. Subsection 2 of this section amends clause *d* of subsection 1 of the said section 126, which section defines the amounts required to be included in the calculation of paid-up capital. Clause *d* is amended by adding thereto the words "or by any person related to any of its shareholders" to make it clear that sums or credits advanced or loaned to the corporation by such persons are to be included in the paid-up capital of the corporation.

SECTION 10. This section amends section 127 of the Act. The changes contained in subsection 1 of section 127 extend the deduction from paid-up capital to all corporations which have issued their share of a discount. The deduction was previously limited to Ontario mining corporations incorporated before 1970. The changes contained in subsections 3 and 4 of this section are amendments to cross-references and are complementary to the amendments made by section 8 of the Bill. Subsection 2 of this section amends clause *c* of subsection 1 of section 127 of the Act for the purpose of clarification and to make it clear that the deduction permitted under that clause shall not exceed the cost of the investments with respect to which the deduction is claimed.

SECTION 11. This section amends subclause ii of clause *b* of subsection 1 of section 128 of the Act, relating to the calculation of paid-up capital employed in Canada by non-resident corporations. The subclause is amended to clarify the wording and to provide that loans from banks and loans made to the corporation by "any person related to any of its shareholders" will be taxable in the same way as such amounts are taxed as part of the paid-up capital of resident corporations under section 126.

(i) the deduction under this clause shall in no case exceed the cost of the investments in respect of which the deduction is claimed, and

(ii) cash on deposit with any corporation doing the business of a savings bank and amounts due by a corporation with its head office outside Canada to a subsidiary controlled corporation or a subsidiary wholly-owned corporation taxable under this Part are deemed not to be loans and advances to other corporations.

(3) Clause *d* of subsection 1 of the said section 127, as enacted by the Statutes of Ontario, 1976, chapter 32, section 17, is amended by striking out "section 63" in the fifth line and inserting in lieu thereof "section 20". s. 127 (1) (d),  
amended

(4) Clause *d* of subsection 2 of the said section 127 is repealed and the following substituted therefor: s. 127 (2) (d),  
re-enacted

(*d*) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is deductible under the provisions of Part II except paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of subsections 1 and 9 of section 14 of this Act. R.S.C. 1952,  
c. 148

**11.** Subclause ii of clause *b* of subsection 1 of section 128 of the said Act is repealed and the following substituted therefor: s. 128 (1) (b)  
(ii),  
re-enacted

(ii) the amount of the indebtedness of the corporation relating to its permanent establishments in Canada, but excluding therefrom,

(A) all amounts that are advanced or loaned to its permanent establishments in Canada by the corporation itself or by its shareholders directly or indirectly or by any person related to any of its shareholders or by any other corporation, and

(B) all other indebtedness that is represented by bonds, bond mortgages, debentures, income bonds, income debentures, mortgages, lien notes and



any other securities to which the property in Canada or any of it is subject,

s. 130.  
amended

- 12.** Section 130 of the said Act is amended by striking out "clause *c* of subsection 1 of section 75" in the seventh and eighth lines and inserting in lieu thereof "paragraph *c* of subsection 1 of section 81 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of section 24 of this Act".

s. 135.  
re-enacted

- 13.** Section 135 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 75, section 10, is repealed and the following substituted therefor:

Idem

135.—(1) Except as provided in subsection 11 of section 14, every corporation referred to in subsection 1 of section 49, other than a corporation referred to in paragraph *m* of subsection 1 of section 149 of the *Income Tax Act* (Canada), shall not be required to pay the taxes otherwise payable under section 131 or 133.

Idem

(2) Subject to subsection 3, every corporation referred to in clause *d* of subsection 1 of section 1, and sections 40 and 44 of this Act and paragraph *m* of subsection 1 of section 149 of the *Income Tax Act* (Canada) shall, in lieu of the tax payable under section 131 or 133, pay a tax of \$50.

Idem

(3) Subsection 2 does not apply in the case of a corporation referred to in clause *d* of subsection 1 of section 1 where, pursuant to subsection 2 of section 31 of the *Income Tax Act* (Canada) as made applicable by subsection 1 of section 14 of this Act, the Minister has determined that the chief source of income of the corporation for a taxation year is neither farming nor a combination of farming and some other source of income.

s. 137.  
amended

- 14.** Section 137 of the said Act is amended by striking out "section 122" in the first line and in the sixth line and inserting in lieu thereof in each instance "section 49".

s. 145.  
amended

- 15.** Section 145 of the said Act is amended by adding thereto the following subsection:

Trustees,  
etc.

(3) Every trustee in bankruptcy, assignee, liquidator, curator, receiver, trustee or committee and every agent or other person administering, managing, winding-up, controlling or otherwise dealing with the property, business, estate or income of a corporation that has not filed a return for a



SECTIONS 12 AND 14. These sections amend cross-references in sections 130 and 137 and are complementary to the amendments contained in section 8 of this Bill.

SECTION 13. This section re-enacts section 135 of the Act to amend cross-references and these amendments are complementary to the amendments contained in section 8 of the Bill. In addition, subsection 1 of section 135 is amended to provide that the corporations referred to, which were previously required to pay a tax of \$5 in lieu of the paid-up capital tax otherwise payable, will henceforth not be required to pay any paid-up capital tax.

SECTION 15. This section amends section 145 of the Act by adding thereto a new subsection 3 to provide that trustees in bankruptcy, assignees, liquidators, receivers and other persons administering or managing the property or business of the corporation be required to file the annual return where the corporation has not done so. This amendment is required as a result of the amendment to the definition of corporation, which definition previously dealt with this situation.

SECTION 16. This section amends section 148 of the Act. Subsection 1 of this section amends subsection 3 of section 148 of the Act, which provides the rules for the time of payment of tax, in order to parallel as much as possible the amendment to the corresponding section of the *Income Tax Act* (Canada). Clause *b* of subsection 3 of section 148 determines when the final payment of tax for a taxation year is to be made and subclause *i* previously provided that where a corporation had claimed the small business deduction under section 125 of the *Income Tax Act* (Canada) for the previous taxation year, it could make the final payment on or before the last day of the third month following the end of the taxation year in question (all other corporations are required to make the last payment on or before the last day of the second month following the end of the taxation year). The present amendment provides that a corporation may make the final payment on or before the last day of the third month following the end of the taxation year if it deducted an amount under the federal section 125 for that year, even though it may not have made a deduction for the previous year. Subsections 2 and 3 of this section amend cross-references contained in subsections 5 and 6 of the said section 148 and are complementary to the amendments contained in section 8 of the Bill.

SECTION 17. This section of the Bill amends a cross-reference contained in subsection 4 of section 149 of the Act and is complementary to the amendments contained in section 8 of the Bill.

SECTION 18. This section amends section 150 of the Act. Subsection 1 of this section amends subsection 1 of section 150 of the Act and enacts new subsections *1a* and *1b*, in line with the amendments to the corresponding section of the *Income Tax Act* (Canada). The amendments will require the Minister to determine the amount of the capital gains refunds to the mutual fund corporations, investment corporations and other corporations entitled to such refunds (subsection 1 of section 150) and allows the Minister to determine the amount of a corporation's non-capital loss, net capital loss or restricted farm loss (new subsection *1a* of section 150). In addition, it is provided that the sections relating to objections and appeals from assessments are applicable to such determinations (new subsection *1b* of section 150). Previously, a corporation could not appeal from such determination since they were not "assessments" to which the appeal provisions would apply. Subsections 2 and 3 of this section amend cross-references in subsections 4 and 5 of section 150 of the Act and are complementary to the amendments contained in section 8 of the Bill.

taxation year as required by this section shall file the return required by subsection 1 for that corporation for that year.

**16.**—(1) Subclause i of clause b of subsection 3 of section 148 of the said Act, as re-enacted by the Statutes of Ontario, 1975, chapter 17, section 64, is repealed and the following substituted therefor: <sup>s. 148 (3) (b) (i), re-enacted</sup>

- (i) on or before the last day of the third month of the taxation year following that in respect of which the tax is payable, where an amount was deducted by virtue of section 125 of the *Income Tax Act* (Canada) in computing the tax payable by the corporation under Part I of that Act for the taxation year or the immediately preceding taxation year, or <sup>R.S.C. 1952, c. 148</sup>

. . . . .

(2) Clause b of subsection 5 of the said section 148, as enacted by the Statutes of Ontario, 1976, chapter 32, section 19, is amended by striking out “subsections 2 and 2a of section 109” in the second and third lines and inserting in lieu thereof “section 41”. <sup>s. 148 (5) (b), amended</sup>

(3) Subsection 6 of the said section 148, as enacted by the Statutes of Ontario, 1976, chapter 32, section 19, is amended by striking out “subsections 2 and 2a of section 109” in the fourth and fifth lines and inserting in lieu thereof “section 41”. <sup>s. 148 (6), amended</sup>

**17.** Subsection 4 of section 149 of the said Act is amended by striking out “section 99” in the second line and in the twelfth line and inserting in lieu thereof in each instance “section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act”. <sup>s. 149 (4), amended</sup>

**18.**—(1) Subsection 1 of section 150 of the said Act is repealed and the following substituted therefor: <sup>s. 150 (1), re-enacted</sup>

(1) The Minister shall with all due despatch examine each return delivered under section 145, shall assess the tax for the taxation year and the interest and penalties, if any, payable and shall determine the amount of refund, if any, to which the corporation may be entitled by virtue of section 39 or 41 for the taxation year. <sup>Assessment of returns</sup>

(1a) The Minister may determine the amount of a corporation's non-capital loss, net-capital loss or restricted farm loss for a taxation year where, in his opinion, the amount thereof is different from the amount reported by the corporation in its return delivered under section 145 for the taxation year. <sup>Determination of loss</sup>

Provisions  
applicable

R.S.C. 1952,  
c. 148

(1*b*) The provisions of paragraph 1 of subsection 1 of section 56 and paragraph *o* of section 60 of the *Income Tax Act* (Canada), as those paragraphs apply by virtue of sections 16 and 17, respectively, of this Act, and the provisions of this Part shall apply, *mutatis mutandis*, to a determination under subsection 1 or 1*a*.

s. 150 (4) (a)  
(v),  
re-enacted

(2) Subclause *v* of clause *a* of subsection 4 of the said section 150 is repealed and the following substituted therefor:

(v) has claimed a deduction under paragraph *s* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as made applicable by section 14 of this Act; and

s. 150 (5),  
amended

(3) Subsection 5 of the said section 150 is amended by striking out "section 99" in the sixth line and inserting in lieu thereof "section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act".

s. 152 (4),  
amended

**19.**—(1) Subsection 4 of section 152 of the said Act is amended by inserting after "section 154" in the first line "or by virtue of a decision made under section 160*b*".

s. 152 (7),  
amended

(2) Subsection 7 of the said section 152 is amended by striking out "section 99" in the second line and in the twelfth and thirteenth lines and inserting in lieu thereof in each instance "section 111 of the *Income Tax Act* (Canada), as made applicable by section 29 of this Act".

s. 153 (1),  
amended

**20.** Subsection 1 of section 153 of the said Act is amended by striking out "to the extent that interest has been otherwise assessed under subsection 2 of section 149 except that under no circumstances shall the credit interest so allowed exceed the interest otherwise assessed under that section" in the ninth, tenth, eleventh, twelfth and thirteenth lines.

s. 154,  
amended

**21.** Section 154 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 32, section 21, is further amended by adding thereto the following subsection:

Reassess-  
ment,  
additional  
assessment or  
deter-  
mination  
does not in-  
validate  
objection  
or appeal

(6) Where a corporation has served a notice of objection to an assessment in accordance with this section or has instituted an appeal in accordance with section 155 and thereafter the Minister issues to the corporation,

(a) a reassessment or additional assessment of tax, interest or penalties under section 150; or

SECTION 19. This section amends section 152 of the Act. Subsection 1 of this section amends subsection 4 of the said section 152 to include therein a reference to the new section 160*b* enacted by section 24 of the Bill and is complementary to that amendment. Subsection 2 of this section amends a cross-reference to subsection 7 of section 152 and is complementary to the amendments contained in section 8 of the Bill.

SECTION 20. This section amends subsection 1 of section 153 of the Act to allow credit interest to be paid on overpayments of tax instalments. Previously such credit interest could only be used to offset interest charged on deficient instalments.

SECTION 21. This section of the Bill adds subsection 6 to section 154 of the Act relating to objections to assessments, and provides that a reassessment, additional assessment or determination for the same fiscal year in respect of which a notice of objection has already been served or an appeal taken, does not invalidate the notice of objection or the appeal. This amendment is similar to the amendment to the corresponding section of the *Income Tax Act* (Canada).



SECTION 22. This section amends section 155 of the Act relating to appeals to the Supreme Court.

Subsection 1 amends subsection 1 of section 155 in order to provide that the appeals shall not be instituted in the Divisional Court. Appeals to the Divisional Court are normally appeals from decisions of another tribunal in which the Divisional Court considers the transcripts of evidence in the other tribunal but does not really hold a new trial, whereas appeals to the Supreme Court under section 155 of the Act are in fact trials of the issues and it is more appropriate, therefore, that these appeals should be in the High Court rather than in the Divisional Court.

Subsection 2 repeals the provisions in section 155 of the Act requiring the payment into court of security for costs when an appeal is instituted. Section 155 will no longer require payment into court of security for costs.

SECTION 23. This section amends subsection 1 of section 157 of the Act which provides that on the filing in court of a notice of appeal and the reply of the Minister the matter is deemed to be an action in the court and ready for hearing. Because the rules of practice of the Supreme Court provide that once an action is ready for hearing no further interlocutory proceedings may be had, the phrase "and, unless the court otherwise orders, ready for hearing" would prohibit any interlocutory proceedings after the filing of the reply of the Minister. Those words are being removed so that such interlocutory proceedings as might otherwise be possible will not be prohibited by that rule.

SECTION 24. This section enacts two new sections to the Act.

Section 160a is added to the Act to permit the Minister to extend the time for serving a notice of objection or instituting an appeal. Previously there was no authority under the Act for the Minister or for the Court to allow an extension of the time, and there have been cases in which an extension of time could not be given even though there were compelling reasons for such an extension. This amendment will remove this harshness from the Act.

This section also adds section 160b to the Act which provides an alternative objection and appeal procedure. This section will apply where the assessment under *The Corporations Tax Act* is based on similar sections of the *Income Tax Act* (Canada) and the corporation wishes to object to both assessments and to raise the same issues in both objections. In such cases, the corporation may object to the assessment under *The Corporations Tax Act* simply by not filing the notice of objection under section 154. This procedure will apply only with respect to those assessments under *The Corporations Tax Act* that state on the face thereof that they are made pursuant to this section. Both the corporation and the Minister will be bound by the results of the federal objection; and the provisions of *The Corporations Tax Act* relating to objections and appeals will not be applicable. This procedure will therefore avoid the necessity of both a federal and provincial appeal on the same issues, which has in the past been to corporations a burdensome duplication of effort.

- (b) a determination of the amount of a refund or loss under subsection 1 or 1*a* of section 150,

for the taxation year in respect of which the notice of objection was served or the appeal instituted, and sends to the corporation a notice of such reassessment, additional assessment or determination,

- (c) the reassessment, additional assessment or determination does not invalidate the notice of objection or appeal, as the case may be; and
- (d) the corporation may, if section 160*b* does not apply, file an additional objection in respect of any new matters raised in the reassessments, additional assessment or determination, as the case may be.

**22.**—(1) Subsection 1 of section 155 of the said Act is amended by adding at the end thereof “and notwithstanding section 17 of *The Judicature Act* the appeal shall be heard and determined by a judge of the High Court and not by the Divisional Court”. s. 155 (1),  
amended

(2) Subsections 5 and 6 of the said section 155 are repealed. s. 155 (5, 6),  
repealed

**23.** Subsection 1 of section 157 of the said Act is amended by striking out “and, unless the court otherwise orders, ready for hearing” in the sixth and seventh lines. s. 157 (1),  
amended

**24.** The said Act is further amended by adding thereto the following sections: ss. 160*a*, 160*b*.  
enacted

160*a*. The time within which a notice of objection under subsection 1 of section 154 or a notice of appeal under subsection 1 of section 155 is to be served may be extended by the Minister if application for extension is made prior to the expiration of the time for service of the notice of objection or notice of appeal, as the case may be. Extension  
of time

160*b*.—(1) Where,

- (a) a notice of assessment is issued to a corporation under section 150 that states on the face thereof that the assessment or a designated part thereof has been made pursuant to this section (which assessment or part, as the case may be, is hereinafter referred to as the designated assessment);

- (b) a notice of assessment has been issued to the corporation under the *Income Tax Act* (Canada) based Alternative  
objection and  
appeal  
procedure  
  
R.S.C. 1952.  
c. 148



on provisions in that Act corresponding to the provisions in this Act on which the designated assessment was based;

- (c) the corporation has served a notice of objection to the assessment referred to in clause *b* in which the same issues have been raised as would have been raised in an objection to the designated assessment; and
- (d) the corporation has not served in accordance with section 154 a notice of objection to the designated assessment,

this section applies to the designated assessment, and in any such case, sections 154 to 160 do not apply, but those sections do apply to the part, if any, of the assessment referred to in clause *a* that is not a designated assessment.

Corporation  
and Minister  
bound

(2) The corporation and the Minister shall, with respect to a designated assessment to which this section applies, be bound by,

- (a) the decision of the Minister of National Revenue for Canada from which no appeal is taken in accordance with the *Income Tax Act* (Canada); or
- (b) where an appeal is instituted, the final disposition of the appeal by the Tax Review Board or any court of competent jurisdiction; or
- (c) any minutes of settlement of the issues raised in the notice of objection to the assessment referred to in clause *b* of subsection 1 made between the corporation and the Minister of National Revenue for Canada at any stage of the proceedings following the service of that notice of objection,

R.S.C. 1952,  
c. 148

and in any such case the Minister shall, where necessary, reassess the corporation in accordance therewith.

Idem

(3) Sections 154 to 160 do not apply to the reassessment referred to in subsection 2.

s. 167 (1, 2).  
re-enacted

**25.** Subsections 1 and 2 of section 167 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 32 and 1975, chapter 17, section 66, are repealed and the following substituted therefor:

SECTION 25. This section amends section 167 of the Act relating to the statutory lien for taxes and other amounts owing under the Act.

Subsection 1 of section 167 is re-enacted to provide that only such arrears and other amounts for the period commencing after December 31, 1972 will give rise to the statutory lien. Previously the lien commenced after December 31, 1967.

Subsection 2 of section 167 is re-enacted to provide an automatic annual updating of the December 31, 1972 date for commencement of the lien. Previously subsection 2 of section 167 created a lien on the property of railway companies and that provision is repealed because it became obsolete and was redundant to subsection 1 of section 167. This section also enacts a new subsection 2a to section 167 to preserve the lien where a notice thereof is registered in the proper land registry office.

SECTION 26. This section is an omnibus amendment and changes the term "fiscal year" to "taxation year" wherever it occurs in the Act. This amendment is complementary to the tax simplification measures contained in the Bill.

(1) All taxes, interest, penalties, costs and other amounts imposed under this or any predecessor Act in respect of any taxation year of a corporation that commenced in any calendar year ending after the 31st day of December, 1972 are debts due to Her Majesty and, subject to the *Bankruptcy Act* (Canada), are a first lien and charge upon property in Ontario of the corporation liable to pay such taxes, interest, penalties, costs and other amounts.

Lien in respect of taxes and other amounts imposed

R.S.C. 1970, c. B-4

(2) At the expiry of each calendar year following 1977, the reference in subsection 1 to "1972" shall be advanced by one year.

Expiry of lien

(2a) Subsections 1 and 2 do not apply to extinguish or remove any lien or charge that is claimed under this or any predecessor Act in a Notice of Lien that is registered in the proper land registry office.

Exception re registered liens

26. The said Act is further amended by striking out "fiscal year" wherever it occurs and inserting in lieu thereof in each instance "taxation year".

Act amended

27.—(1) This Act, except clause *d* of subsection 8 and subsection 12 of section 14 of the said Act, subsection 5 of section 15 of the said Act, subsections 4, 5 and 6 of section 16 of the said Act, section 19 of the said Act, subsection 5 of section 25 of the said Act, and section 31 of the said Act, all as enacted by section 8 of this Act, subsection 1 of section 19 and sections 20, 21, 22, 23, 24, 25 and 26, of this Act, comes into force on the day it receives Royal Assent and applies to corporations in respect of all taxation years ending on or after that day.

Commencement and application

(2) Clause *d* of subsection 8 of section 14 of the said Act and section 19 of the said Act, both as enacted by section 8 of this Act, shall be deemed to have come into force on the 20th day of April, 1977 and apply to corporations in respect of all taxation years ending after the 19th day of April, 1977.

Idem

(3) Subsection 12 of section 14 of the said Act, subsection 5 of section 15 of the said Act, subsections 4, 5 and 6 of section 16 of the said Act, subsection 5 of section 25 of the said Act and section 31 of the said Act, all as enacted by section 8 of this Act, come into force on a day to be named by proclamation of the Lieutenant Governor, and when in force, apply to corporations in respect of all taxation years ending on or after the day that

Idem

The 1977, c. 10

*Venture Investment Corporations Registration Act, 1977*  
comes into force.

Idem

- (4) Subsection 1 of section 19 and sections 21, 22, 23, 24, 25 and 26 come into force on the day this Act receives Royal Assent.

Idem

- (5) Section 20 of this Act comes into force on the day this Act receives Royal Assent and applies to instalments of tax payable in respect of all taxation years ending on or after that day.

Idem  
R.S.C. 1952,  
c. 148,

- (6) The amendments to the *Income Tax Act* (Canada) made by an Act to amend the *Income Tax Act*, being chapter 4 of the Statutes of Canada, 1976-77, to sections of that Act which are by this Act made applicable for the purposes of *The Corporations Tax Act, 1972* shall be deemed to have come into force for the purposes of *The Corporations Tax Act, 1972* at the same time and to apply in the same manner as those amendments were brought into force and made applicable by the said Act to amend the *Income Tax Act* (Canada).

1972, c. 143

Short title

- 28.** The short title of this Act is *The Corporations Tax Amendment Act, 1977*.









An Act to amend  
The Corporations Tax Act, 1972

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*1st Reading*

November 1st, 1977

*2nd Reading*

*3rd Reading*

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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*(Government Bill)*

BILL 88

Government Bill

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

An Act to amend  
The Corporations Tax Act, 1972

THE HON. MARGARET SCRIVENER  
Minister of Revenue



*(Reprinted as amended by the Committee of the Whole House)*

TORONTO

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## EXPLANATORY NOTES

The Bill substantially re-enacts Parts I and II of *The Corporations Tax Act, 1972*, in the interest of tax simplification. In addition, a number of administrative amendments are made. With respect to the tax simplification measures, Part II of the Act (tax on income) is entirely re-enacted by section 8 of the Bill to provide a greater tie-in with the *Income Tax Act (Canada)*; in those areas where the provisions of both Acts are the same, the sections of the *Income Tax Act (Canada)* are made applicable in so far as they apply to corporations, so that such sections need not be reproduced in *The Corporations Tax Act*, and where there are differences, special provisions are enacted to deal with these. Substantial amendments to Part I of the Act, complementary to the amendments to Part II, are also required. Finally, the Bill adds to the Act a number of provisions to provide for the treatment of corporations that buy shares of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*; such provisions to come into force on proclamation.

SECTION 1. This section re-enacts section 1 of the Act and is complementary to the tax simplification measures contained in section 8 of the Bill. The interpretations contained in Part XVII of the *Income Tax Act (Canada)* are, with certain exceptions, adopted and made applicable for the purposes of the Act. Certain additional interpretations are also included for the purposes of the Act. A provision is included to deal with the applicability or non-applicability of cross-references within the adopted sections of the *Income Tax Act (Canada)*. Also it is provided in subsection 6 of the new section 1 of the Act that the applicable sections of the *Income Tax Act (Canada)* are adopted as amended or re-enacted from time to time. Finally, the adoption of the definition of "corporation" contained in the *Income Tax Act (Canada)* represents a substantive change to the Act—the present definition of "corporation" does not include corporations incorporated without share capital; the new definition includes such corporations.

The adoption of the Federal definition of "gross revenue" represents a change from the definition of that term in the present Act. This will affect the allocation of income to jurisdictions other than Ontario.

It should be noted that this section also reflects a change in terminology which has been adopted throughout the Act, namely that the expression "fiscal year" will now become "taxation year". Section 26 of the Bill amends this terminology in those sections of the Act not otherwise specifically amended by the Bill.

## An Act to amend The Corporations Tax Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Corporations Tax Act, 1972*, being chapter 143, as amended by the Statutes of Ontario, 1973, chapter 157, section 1, 1974, chapter 75, section 1, 1975, chapter 17, section 1 and 1976, chapter 32, section 1, is repealed and the following substituted therefor:

1.—(1) In this Act and in the application of the provisions of the *Income Tax Act* (Canada) that are by this Act made applicable for the purposes of this Act,

s.1,  
re-enacted  
  
Interpre-  
tation  
R.S.C. 1952,  
c. 148

- (a) each of the interpretations contained in Part XVII of the *Income Tax Act* (Canada) are, except as hereinafter provided, applicable for the purposes of this Act;
- (b) the interpretations contained in the said Part XVII of the expressions "farming", "foreign resource property", "Minister", "paid-up capital", "regulations", "taxable income", "taxable income earned in Canada" and "tax payable" do not apply and in lieu thereof the following interpretations are applicable:
  - (i) "farming" includes tillage of the soil, live stock raising or exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing, and the keeping of bees, but does not include an office or employment under a person engaged in the business of farming and, for the purposes of subsection 2 of section 135 only, does not include the maintaining of horses for racing,

(ii) "foreign resource property" has the meaning given to that expression by section 15 of this Act,

(iii) "Minister" means, unless otherwise provided in this Act, the Minister of Revenue,

(iv) "paid-up capital" has the meaning given to that expression by paragraph *c* of subsection 1 of section 89 of the *Income Tax Act* (Canada), but such meaning does not apply for the purposes of Part III of this Act,

R.S.C. 1952.  
c. 148

(v) "regulations" means regulations made under this Act,

(vi) "tax payable" by a corporation under any part of the Act means the tax payable by the corporation as fixed by assessment or reassessment subject to variation on objection or appeal, if any, in accordance with sections 154 to 160*b*, as the case may be,

(vii) "taxable income" has the meaning given to that expression by section 9 of this Act,

(viii) "taxable income earned in Canada" has the meaning given to that expression by section 10 of this Act;

R.S.C. 1970.  
cc. B-1, B-4

(c) "bank" means a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies;

(d) "family farm corporation" means a corporation that is throughout the taxation year a corporation,

(i) every share of the capital stock of which that confers on the holder thereof the right to vote was owned by an individual ordinarily resident in Canada or by any such individual and a member or members of his family ordinarily resident in Canada or by another family farm corporation,

(ii) 95 per cent of the assets of which were farming assets, and

- (iii) which carried on the business of farming in Ontario through the employment of a shareholder or a member of his family actually engaged in the operation of the farm;
- (e) “farming assets” of a family farm corporation means,
- (i) cash, trade accounts receivable, supplies and inventory of commodities or things produced, raised or grown through farming,
  - (ii) land, buildings, equipment, machinery, and live stock that are used chiefly in the operation of the farm by the corporation,
  - (iii) any right or licence granted or issued under any Act of the Legislature that permits or regulates the production or sale of any commodity or thing produced, raised or grown through farming,
  - (iv) the building in which a shareholder or member or members of his family reside who are engaged in the operation of the farm if that building is on land that is used or is contiguous to land used by that shareholder or member or members of his family in the operation of the farm,
  - (v) shares in another family farm corporation;
- (f) “jurisdiction” means a province or territory of Canada or a state outside Canada having sovereign power;
- (g) “member of his family” means, with respect to an individual referred to in clause *d*,
- (i) his spouse,
  - (ii) his child,
  - (iii) his father, mother, brother or sister or any lawful descendant of such brother or sister,
  - (iv) the brother or sister of his father or mother or any lawful descendant of any such brother or sister,



(v) the father, mother or any brother or sister of his spouse or any lawful descendant of any such brother or sister,

(vi) his son-in-law or daughter-in-law,

(vii) a person adopted by him under *The Child Welfare Act* or the spouse or any lawful descendant of such person, or

(viii) his grandfather or grandmother;

(h) "permanent establishment" has the meaning given to that expression by section 7;

(i) "timber royalty" includes any consideration for a right under or pursuant to which a right to cut or take timber from a timber limit in Canada is obtained or derived, to the extent that such consideration is dependent upon, and computed by reference to, the amount of timber cut or taken.

R.S.O. 1970,  
c. 64

Idem  
R.S.C. 1952,  
c. 148

(2) In the application of the sections of the *Income Tax Act* (Canada) that by this Act are made applicable for the purposes of this Act,

(a) "capital cost" means the cost of property as determined for the purposes of this Act;

(b) "undepreciated capital cost" means the undepreciated capital cost of depreciable property as determined for the purposes of this Act;

(c) the references therein to,

(i) returns required to be filed under section 150 of that Act shall be deemed to be references to the returns required to be filed under section 145 of this Act, and

(ii) assessments to be made under section 152 of that Act shall be deemed to be references to assessments to be made under section 150 of this Act;

(d) where a section of that Act has been made applicable for the purposes of this Act, and reference is made in that section to another provision (herein-

after in this clause referred to as the "other provision") of that Act which,

- (i) does not apply for the purposes of this Act,
- (ii) does not apply for the purposes of this Act because a provision of this Act is enacted to apply in lieu thereof, or
- (iii) in respect of which the application for the purposes of this Act differs,

the following rules apply in the application of the section for the purposes of this Act,

- (iv) where subclause i applies, the section (except sections 20, 56, 60, paragraph *f* of subsection 1 of section 95 and section 138 of that Act) shall be read as if the reference to the other provision were deleted,
- (v) where subclause ii applies, the reference to the other provision shall be deemed to be a reference to the provision of this Act that applies in lieu thereof, and
- (vi) where subclause iii applies, the reference to the other provision shall be deemed to be a reference to the other provision as it applies for the purposes of this Act.

(3) Notwithstanding subsection 1, any regulation made pursuant to any provision of the *Income Tax Act* (Canada) that is by this Act made applicable for the purposes of this Act shall apply with necessary modifications for the purposes of this Act unless otherwise provided by this Act or by the regulations.

Application  
of  
regulations  
under  
R.S.C. 1952.  
c. 148

(4) Any election or designation by a corporation which has been properly made for the purposes of the *Income Tax Act* (Canada), pursuant to any provision of that Act that is by this Act made applicable for the purposes of this Act, shall be deemed to have been properly made for the purposes of this Act, provided that,

Elections  
R.S.C. 1952.  
c. 148

- (a) where an amount elected would be different from the amount determined in accordance with this Act, the amount determined in accordance with this Act shall apply; and

- (b) the provisions in that Act imposing penalties for late filing of such elections are not applicable for the purposes of this Act.

Registered  
pension  
funds

(5) Any registered pension fund or plan that has been accepted for registration by the Minister of National Revenue for Canada shall be deemed to have been accepted for registration by the Minister of Revenue.

R.S.C. 1952.  
c. 148 applies  
as amended  
from time  
to time

(6) The sections of the *Income Tax Act* (Canada) by this Act made applicable for the purposes of this Act shall, unless otherwise provided in this Act, be deemed to be applicable as amended or re-enacted from time to time, and such amendments or re-enactments shall apply for the purposes of this Act in the same manner as they apply for the purposes of the *Income Tax Act* (Canada).

s. 2 (2) (c).  
re-enacted

**2.**—(1) Clause *c* of subsection 2 of section 2 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 42, section 1, is repealed and the following substituted therefor:

- (c) disposed of taxable Canadian property within the meaning given to that expression by subsection 1 of section 248 of the *Income Tax Act* (Canada) if the reference in that definition to section 2 of that Act were a reference to this section; or

R.S.C. 1952.  
c. 148

(d) carried on business in Ontario,

. . . . .

s. 2 (3) (c).  
re-enacted

(2) Clause *c* of subsection 3 of the said section 2, as amended by the Statutes of Ontario, 1973, chapter 42, section 1, is repealed and the following substituted therefor:

- (c) disposed of taxable Canadian property within the meaning given to that expression by subsection 1 of section 248 of the *Income Tax Act* (Canada) if the reference in that definition to section 2 of that Act were a reference to this section; or

(d) carried on business in Ontario,



. . . . .

ss. 4, 5.  
repealed

**3.** Sections 4 and 5 of the said Act are repealed.

s. 6 (1).  
amended

**4.** Subsection 1 of section 6 of the said Act is amended by striking out "stock, mileage" in the third line and in the fifth line.



SECTION 2. This section amends subsections 2 and 3 of section 2 of the Act by re-enacting clause *c* in each subsection to correct cross references that are required as a result of other amendments. In addition, the section adds clause *d* to subsections 2 and 3 to extend the applicability of section 2 to foreign corporations which carried on business in Ontario in a taxation year.



SECTION 3. This section repeals sections 4 and 5 of the Act which are no longer necessary as a result of the tax simplification measures adopting the various provisions of the *Income Tax Act* (Canada).

SECTION 4. This section amends subsection 1 of section 6 of the Act by striking out the words "stock, mileage" which became unnecessary as a result of the repeal in 1973 of sections 138 and 139 of the Act.

SECTION 5. This section of the Bill repeals section 11 of the Act which is no longer necessary as a result of the tax simplification measures adopting the various provisions of the *Income Tax Act* (Canada).

SECTION 6. This section re-enacts section 12 of the Act to make section 3 of the *Income Tax Act* (Canada) applicable for the purposes of the Act. This is part of the tax simplification measures adopting various provisions of the *Income Tax Act* (Canada) and does not represent a substantive change to the Act.

SECTION 7. This section re-enacts section 13 of the Act to make section 4 of the *Income Tax Act* (Canada) applicable for the purposes of the Act. This amendment is part of the tax simplification measures contained in this Bill and does not involve any substantive change to the Act.

SECTION 8. This section re-enacts Part II (sections 14 to 122) of the Act as part of the tax simplification measures contained in the Bill. As indicated in the preamble to these explanatory notes, these provisions adopt the corresponding provisions of the *Income Tax Act* (Canada) where applicable and also preserve those sections of the Act where the Act differs from the *Income Tax Act* (Canada). This section of the Bill, enacting new sections 14 to 49 of the Act, also enacts some substantive changes to the Act. The following matters should be noted:

1. The provision formerly found in clause *l* of subsection 1 of section 22 of the Act, with respect to the deduction of 5/12ths from the amount otherwise deductible as a management fee in certain circumstances, is now an inclusion of that amount in income as provided in subsection 6 of the new section 14.
2. Certain sections have been deleted as they have become redundant as a result of the adoption of the various provisions of the *Income Tax Act* (Canada). For example, because of the adoption of sections 20 and 60 (deductions) and 56 (inclusions) of the *Income Tax Act* (Canada), the sections of the Act dealing with co-operative corporations (section 113) and certain deferred income arrangements (sections 118, 119 and 120 of the Act) became redundant and are no longer required.
3. Certain sections have been amended for clarification, for example, clause *c* of subsection 7 of the new section 14 amends the wording of the former subsection 2 of section 22 of the Act.
4. The new section 29 of the Act relating to charitable donations and gifts to Her Majesty represents a change from the former section 98 of the Act, in that gifts to provinces other than Ontario will now be fully deductible, in line with the treatment given to such gifts under the *Income Tax Act* (Canada) and by the other provinces. The former section 98 limited this deduction to 20 per cent of the donor corporation's income.
5. The new section 45 of the Act adds a section adopting the provisions of the *Income Tax Act* (Canada) with respect to deposit insurance corporations.
6. The former section 115 of the Act relating to insurance companies has been simplified as a result of the adoption of the various other provisions of the *Income Tax Act* (Canada); however, the new section 46 does not make any substantive change in the taxation of such companies.



5. Section 11 of the said Act is repealed. s. 11,  
repealed
6. Section 12 of the said Act is repealed and the following substituted therefor: s. 12,  
re-enacted

12.—(1) Except as hereinafter provided, section 3 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said section applies to corporations. Basic  
rules,  
R.S.C. 1952,  
c. 148, s. 3,  
applicable

(2) In the application of the said section 3 for the purposes of this Act, the reference in paragraph *c* thereof to "sub-division *e*" shall be deemed to be a reference to Subdivision D of Part II of this Act. Interpre-  
tation

7. Section 13 of the said Act is repealed and the following substituted therefor: s. 13,  
re-enacted

13. Except as hereinafter provided, section 4 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said section applies to corporations. Income or  
loss from  
a source or  
from sources  
in a place  
R.S.C. 1952,  
c. 148

8. Part II of the said Act, exclusive of sections 8 to 13*a*, as amended by the Statutes of Ontario, 1973, chapter 42, sections 3 to 9, 1973, chapter 157, sections 2 to 11, 13 to 15 and 17 to 31, 1974, chapter 75, sections 3 to 6 and 8, 1975, chapter 17, sections 4 to 56 and 58 to 63, 1976, chapter 32, sections 2 to 16, 1976, chapter 63, section 1, 1976, chapter 80, section 1 and 1977, chapter 16, sections 1 and 2, is repealed and the following substituted therefor: Pt. II,  
(ss. 14-49,  
re-enacted).  
(ss. 50-122,  
repealed)  
c. 148, s. 3,  
repealed

#### SUBDIVISION A—INCOME OR LOSS FROM A BUSINESS OR PROPERTY

14.—(1) Except as hereinafter provided, the income or loss of a corporation for a taxation year from a business or property shall for the purposes of this Act be determined in accordance with subdivisions *a* and *b* of Division B of Part I of the *Income Tax Act* (Canada) and the said subdivisions *a* and *b* are applicable to this Act in so far as the said subdivisions apply to corporations. Application  
of  
R.S.C. 1952,  
c. 148

(2) In the application of section 10 of the *Income Tax Act* (Canada) for the purposes of this Act the amount determined for the purposes of the *Income Tax Act* (Canada) as the value of property described in an inventory is applicable for the purposes of this Act, except that, Inventory of  
land

- (*a*) where land is included in an inventory of a corporation and the corporation has, in calculating its income for the taxation year or any previous taxation year, deducted an amount referred to in clause *c* of subsection 7 in respect of such land, the amount

so deducted shall not be included in determining the value of the inventory for the purposes of subsection 1; and

- (b) the Minister may determine the value of the property described in an inventory for the purposes of assessment under this Act if he is of the opinion that the values have been incorrectly determined by the corporation.

Payment or  
refund of a  
fee under  
Ontario Beef  
Calf Income  
Stabilization  
Program to be  
included in  
income

(3) In addition to any other amount required by virtue of subsection 1 to be included in computing the income of a corporation for a taxation year as income from a business or property, there shall be included any amount received by the corporation as a stabilization payment or refund of a fee under the Ontario Beef Calf Income Stabilization Program.

Disposition of  
depreciable  
property:

(4) In the application of section 13 of the *Income Tax Act* (Canada) for the purposes of this Act, the following rules apply,

Undepre-  
ciated  
capital cost

- (a) subsections 7.1 and 10 of the said section 13 and subparagraph vi of paragraph *f* of subsection 21 of the said section 13 are not applicable in determining the capital cost or the undepreciated capital cost of depreciable property of a prescribed class for the purposes of this Act and the regulations;

Reduction of  
capital cost by  
amount of  
government  
assistance

- (b) where a corporation has received or is entitled to receive a grant, subsidy, forgivable loan, investment allowance or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, other than an amount,

- (i) authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Treasury Board of the Government of Canada in respect of scientific research expenditures incurred for the purpose of advancing or sustaining the technological capability of Canadian manufacturing or other industry,

- (ii) authorized to be paid under the *Industrial Research and Development Incentives Act* (Canada) or the *Area Development Incentives Act* (Canada) and approved by the Minister, or



7. Subsection 11 of the new section 14 of the Act (non-capital loss on the disposition of shares of a V.I.C.), subsection 5 of the new section 15 of the Act (capital loss on disposition of shares of a V.I.C.), subsections 4, 5 and 6 of the new section 16 of the Act (amounts to be included in income on the disposition of the shares of a V.I.C.), subsection 5 of the new section 25 of the Act (transfer of the shares of a V.I.C. on an amalgamation or winding-up) and the new section 31 of the Act (deduction from taxable income on acquisition of shares of a V.I.C.) are all new provisions, contained in section 8 of the Bill, relating to the treatment of the acquisition and disposition of shares of a company registered under *The Venture Investment Corporations Registration Act, 1977*, and will come into force on proclamation when *The Venture Investment Corporations Registration Act, 1977*, is proclaimed into force.

Basically, a corporation will be allowed a deduction from taxable income earned in Ontario equal to 250 per cent of its investment in the shares of a V.I.C., and the amount eligible for such deduction not used in the year may be carried forward indefinitely. On the disposition of such shares, 250 per cent of the proceeds will be included in the investor's income for the year of the disposition. Recoveries in excess of the original cost of the shares will be treated as capital gains. Non-capital losses on the disposition of such shares will not be allowed, and capital losses on such dispositions will be limited, since the deferred taxes on the loss portion of the investment will not be recovered.



- (iii) deducted as an allowance under section 65 of the *Income Tax Act* (Canada) or section 19 of this Act, R.S.C. 1952,  
c. 148

the capital cost of the property to the corporation shall be deemed to be the amount by which the aggregate of,

- (iv) the capital cost thereof to the corporation, otherwise determined, and
- (v) such part, if any, of the assistance as has been repaid by the corporation pursuant to an obligation to repay all or part of that assistance,

exceeds,

- (vi) the amount of assistance.

(5) In the application of section 17 of the *Income Tax Act* (Canada) for the purposes of this Act, subsection 2 thereof does not apply in determining whether an amount shall be included in the income of a corporation in accordance with subsection 1 thereof. Loan to  
non-resident  
person

(6) Where an amount in respect of,

- (a) a management or administration fee or charge;
- (b) a rent, royalty or a similar payment; or

- (c) a right in or to the use of motion picture film or films or video tapes for use in connection with television that have been or are to be used or reproduced in Canada,

Management  
fee, rent and  
similar  
payment  
to non-  
resident to be  
included in  
income

is paid or payable by a corporation to a non-resident person with whom it was not dealing at arm's length, the corporation shall include 5/12ths of such amount in computing its income from a business or property for the taxation year in which the amount was subjected to tax under paragraph *a*, *d* or *e* of subsection 1 of section 212 of the *Income Tax Act* (Canada) or subsection 5 of that section, except that clause *b* does not apply where the non-resident person to whom the amount is paid or payable is a corporation liable to the taxes imposed under this Act by virtue of clause *b* of subsection 2 or clause *b* of subsection 3 of section 2.

Deductions  
allowed  
R.S.C. 1952.  
c. 148

(7) Subsection 2 of section 18 of the *Income Tax Act* (Canada) and paragraphs *a* and *v.1* of subsection 1 of section 20 of that Act are not applicable in computing the income of a corporation for a taxation year from a business or property for the purposes of this Act, and in lieu thereof there may be deducted such of the following amounts as are applicable:

Capital cost  
of property

(a) such part of the capital cost to the corporation of property, or such amount in respect of the capital cost to the corporation of property, as is allowed by regulation;

Fee under  
Ontario Beef  
Calf Income  
Stabilization  
Program

(b) an amount paid by the corporation in the taxation year as a fee under the Ontario Beef Calf Income Stabilization Program;

Certain  
interest  
and property  
taxes on land

(c) notwithstanding paragraph *c* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as made applicable to this Act but subject to subsection 3 of section 18 of the said Act, any amount paid or payable by the corporation in the year and after 1971 as, on account or in lieu of payment of, or in satisfaction of,

(i) interest on borrowed money used to acquire land or on an amount payable by the corporation for land, or

(ii) property taxes, not including income or profits taxes or taxes computed by reference to the transfer of property, paid or payable by the corporation in respect of land to a province or a Canadian municipality,

if, having regard to all the circumstances, including the cost to the corporation of the land in relation to its gross revenue, if any, therefrom for that or any previous year, the land can reasonably be considered to have been, in that year,

(iii) included in the inventory of a business carried on by the corporation,

(iv) otherwise used in, or held in the course of, carrying on a business carried on by the corporation, or

(v) held primarily for the purpose of gaining or producing income of the corporation from the land for that year,

and if none of subclauses iii, iv and v is applicable, then the deduction under this clause is permitted only to the extent that the corporation's gross revenue, if any, from the land for that year exceeds the aggregate of all other amounts deducted in computing its income from the land for that year;

- (d) such amount as is allowed to the corporation by regulation in respect of oil or gas resources in Canada, as defined by regulation. Resource allowance

(8) In the application of paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) for the purposes of this Act, Deductions not allowed R.S.C. 1952, c. 148

- (a) notwithstanding subsection 8 of section 20 of the *Income Tax Act* (Canada), the said paragraph *n* does not apply to allow a deduction in computing the income of a corporation for a taxation year from a business in respect of a property sold in the course of the business if the corporation at the end of the taxation year or at any time in the immediately following taxation year, No deduction in respect of property in certain circumstances

(i) was exempt from tax under any provision of this Part, or

(ii) ceased to have a permanent establishment in Canada; and

- (b) the said paragraph *n* does not apply to allow a deduction in computing the income of a corporation for a taxation year from a business where the corporation has, in the taxation year sold, pledged, assigned or in any way disposed of any security received by it as payment in whole or in part for the sale of property in respect of which the corporation has, in that or a previous taxation year, been allowed a deduction under that paragraph for the purposes of this Act. No deduction in respect of sale of property if security disposed of

(9) In the application of paragraph *s* of subsection 1 of section 20 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference therein to "Minister" shall be deemed to be a reference to the Minister of National Revenue for Canada. Interpretation

(10) Section 27 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act and in lieu thereof the following provisions shall apply: Crown corporations

Prescription

1. Where a corporation referred to in paragraph *d* of subsection 1 of section 149 of the *Income Tax Act* (Canada) is otherwise exempt under section 49 of this Act and subsection 1 of section 135 of this Act, such exemptions do not apply if the corporation is prescribed by regulation.

Transfers of  
land for  
disposition

2. Where land has been transferred to a corporation prescribed in the regulations for the purpose of disposition, the acquisition of the property by the corporation and any disposition thereof shall be deemed not to have been in the course of the business carried on by the corporation.

Loss on  
disposition  
of shares  
of a  
Venture  
Investment  
Corporation  
1977, c. 10

- (11) Where in a taxation year a corporation has incurred a loss, other than a capital loss, from the disposition of property that is shares of the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*, such loss shall not be allowed in computing the income or loss of the corporation from a business or property for the taxation year.

#### SUBDIVISION B—TAXABLE CAPITAL GAINS AND ALLOWABLE CAPITAL LOSSES

Application  
of  
R.S.C. 1952,  
c. 148

- 15.—(1) Except as hereinafter provided, the taxable capital gains and allowable capital losses of a corporation for a taxation year from the disposition of any property shall for the purposes of this Act be determined in accordance with subdivision c of Division B of Part I of the *Income Tax Act* (Canada) and the said subdivision c is applicable to this Act in so far as the said subdivision applies to corporations.

Idem

- (2) Paragraph *c* of subsection 1 of section 48 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act.

Idem

- (3) In the application of paragraph *a* of subsection 2 of section 40 of the *Income Tax Act* (Canada) for the purposes of this Act, subparagraph *i* thereof shall be read as though the words “was not resident” were deleted and the words “ceased to have a permanent establishment” were inserted in lieu thereof.

Adjustments  
to cost base

- (4) In computing the adjusted cost base to a corporation of property in accordance with the provisions made applicable by subsection 1, the following rules apply for the purposes of this Act,



- (a) where the property is a foreign resource property, there shall be added to the cost of the property to the corporation that part of the foreign exploration and development expenses incurred by the corporation after 1971 with respect to the property that is not allowed as a deduction from income for purposes of this Act;
- (b) clause B of subparagraph ii of paragraph c of subsection 2 of section 53 of the *Income Tax Act* <sup>R.S.C. 1952, c. 148</sup> (Canada) shall apply as if the words "foreign exploration and development expenses" were deleted;
- (c) subparagraph i of paragraph k of subsection 2 of section 53 of the *Income Tax Act* (Canada) shall apply,
  - (i) as if the words "deduction from tax" were deleted, and
  - (ii) as if the reference in clause B thereof to section 65 were a reference to the said section 65 and to section 19 of this Act;
- (d) where the property is a foreign resource property, there shall be deducted in respect of such property any amount that has become receivable by the corporation at a particular time in a taxation year as the result of a transaction that occurred after the 6th day of May, 1974, in which the consideration given by the corporation for the amount was property or services the original cost of which may reasonably be regarded as having been foreign exploration and development expenses.

(5) Notwithstanding the rules contained in subsection 1 of section 40 of the *Income Tax Act* (Canada) as made applicable by subsection 1 of this section, a corporation's capital loss from the disposition of property that is shares in the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*, is the amount by which,

Capital loss on disposition of shares of a Venture Investment Corporation 1977, c. 10

- (a) the capital loss in respect of such disposition, otherwise determined,

exceeds,



- (b) the amount in respect of such shares that was deducted under section 31 minus the amount included in income under subsection 4 of section 16.

Interpre-  
tation

(6) In this Subdivision,

- (a) "foreign exploration and development expenses" incurred by a corporation means,

(i) any drilling or exploration expense, including any general geological or geophysical expense, incurred by it on or in respect of exploring or drilling for petroleum or natural gas outside Canada,

(ii) any prospecting, exploration or development expense incurred by it in searching for minerals outside Canada,

(iii) any annual payment made by the corporation for the preservation of a foreign resource property, and

(iv) its share of the foreign exploration and development expenses incurred by any association, partnership or syndicate in a fiscal period thereof, if at the end of that fiscal period it was a member or partner thereof;

- (b) "foreign resource property" of a corporation means any property that would be a Canadian resource property of the corporation within the meaning of paragraph c of subsection 15 of section 66 of the *Income Tax Act* (Canada) if that paragraph were read as if the references therein to "in Canada" were references to "outside Canada" and were read without reference to the words "after 1971".

R.S.C. 1952,  
c. 148

#### SUBDIVISION C—OTHER SOURCES OF INCOME

R.S.C. 1952,  
c. 148  
Part I (B) (d)  
applicable

16.—(1) Except as hereinafter provided, subdivision d of Division B of Part I of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said subdivision applies to corporations.

(2) In the application of subsection 1 of section 56 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference in subparagraph i of paragraph 1 thereof to "this Act" shall be deemed to be a reference to both the *Income Tax Act* (Canada) and this Act.

Interpre-  
tation  
R.S.C. 1952,  
c. 148

(3) Section 59 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act, and in lieu thereof the following provisions apply,

Disposition  
of resource  
property

(a) where a corporation disposes of,

Amount  
receivable as  
consideration  
for disposition  
of resource  
property

(i) a Canadian resource property, or

(ii) any right, licence or privilege described in subsection 12 of section 58 of *The Corporations Tax Act*, as it read in its application to taxation years prior to 1972, that was acquired by the corporation,

(A) before 1972 in the case of,

1. a corporation that is a principal-business corporation within the meaning given to that expression by subsection 14 of section 20 or that was, at the time it acquired the property, such a principal-business corporation, or

2. an association, partnership or syndicate described in subsection 4 of section 83A of the *Income Tax Act* (Canada) as it read in its application to the 1971 taxation year, and

(B) after April 10, 1962 and before 1972, in any other case,

under an agreement or other contract or arrangement described therein,

the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the taxation year, to the extent that the proceeds become receivable in that year;

(b) there shall be included in computing a corporation's income for a taxation year any amount in respect of,

Amount  
deducted  
under s. 18  
in preceding  
year

- (i) a Canadian resource property, or
- (ii) any property referred to in subclause ii of clause *a* or in clause *c*,

that has been deducted under section 18 in computing the corporation's income for the immediately preceding taxation year;

Disposition of  
resource  
property  
acquired  
before 1972

R.S.C. 1952,  
c. 148

- (c) where a corporation has made a disposition of property owned, or deemed to have been owned, by it on the 31st day of December, 1971 and thereafter without interruption until the date of disposition that is property described in any of subparagraphs i to vi of paragraph *c* of subsection 15 of section 66 of the *Income Tax Act* (Canada) and is not property described in subclause ii of clause *a*, the following rules apply,

- (i) the relevant percentage of the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the taxation year to the extent that the proceeds become receivable, and

- (ii) where the corporation and the person who acquired the property were not dealing with each other at arm's length, for the purposes of this subsection and section 20,

- (A) the cost to that person of the property shall be deemed to be the amount included in the corporation's income by virtue of subclause i in respect of the disposition by the corporation of the property, and

- (B) when that person subsequently disposes of the property or any right or interest therein, that person shall be deemed to have owned the property on the 31st day of December, 1971 and thereafter without interruption until the disposition thereof;

Interpre-  
tation

- (d) in this subsection,

- (i) "relevant percentage" has the meaning given to that expression by subsection 4 of section 59 of the *Income Tax Act* (Canada),

- (ii) "disposition" and "proceeds of disposition" have the meaning given to those expressions by section 54 of the *Income Tax Act* (Canada). R.S.C. 1952,  
c. 148

(4) In addition to any other amount that is required to be included in computing the income of a corporation for a taxation year by virtue of the provisions of subdivision d of Division B of Part I of the *Income Tax Act* (Canada) that are made applicable by subsection 1 of this section, there shall be included the following amounts:

- (a) where, in a taxation year, shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977*, c. 10 have been disposed of by the corporation, an amount equal to the aggregate of,

- (i) 250 per cent of the lesser of,

(A) the cost to the corporation of the said shares disposed of, and

(B) the proceeds of disposition of such shares, and

- (ii) that proportion of the amount determined under subclause i that,

(A) the taxable income of the corporation for the year, determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

(B) the amount by which the taxable income of the corporation for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A; and

- (b) where at a particular time in the taxation year the registration of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* (hereinafter in this subsection referred to as the V.I.C.) has been revoked pursuant to section 6 of that Act and at the particular time

the corporation owned shares of the capital stock of the V.I.C., an amount equal to the aggregate of,

- (i) 250 per cent of the cost to the corporation of the said shares, and
- (ii) that proportion of the amount determined under subclause i that,
  - (A) the taxable income of the corporation for the year, determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (B) the amount by which the taxable income of the corporation for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A.

Idem

1977, c. 10

(5) Where in a taxation year a corporation that owns shares in the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has ceased to have a permanent establishment in Ontario within the meaning of section 7, the corporation shall for the purposes of subsections 4 and 6 of this section be deemed to have disposed of the shares in that year for proceeds equal to the cost to the corporation of the shares.

Idem

(6) Where in a taxation year a corporation that owns shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has disposed of or is deemed to have disposed of any of those shares, or the registration of the corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has been revoked pursuant to section 6 of that Act, and all of the taxable income of the corporation for the year, determined without reference to this subsection, is deemed for the purposes of section 34 to have been earned in jurisdictions other than Ontario, the following rules apply,

- (a) the amount of the corporation's taxable income for the year shall be determined as if it has no income other than the amount determined under clause *a* or *b* of subsection 4, as the case may be;



- (b) the only amounts deductible under this Act by the corporation in determining its taxable income for the year shall be its undeducted eligible expenditures, within the meaning of section 31, as at the end of the immediately preceding taxation year; and
- (c) for the purposes of section 34, no portion of the corporation's taxable income as determined under clauses *a* and *b* shall be deemed to have been earned in jurisdictions other than Ontario.

#### SUBDIVISION D—DEDUCTIONS IN COMPUTING INCOME

17.—(1) Except as hereinafter provided, section 60 of the *Income Tax Act* (Canada), is applicable for the purposes of this Act in so far as the said section applies to corporations. Application of  
R.S.C. 1952,  
c. 148, s. 60

(2) In the application of subparagraph i of paragraph o of the said section 60 for the purposes of this Act, the reference therein to "this Act" shall be deemed to be a reference to both the *Income Tax Act* (Canada) and this Act. Interpre-  
tation  
  
R.S.C. 1952,  
c. 148

(3) In addition to the deductions permitted by virtue of subsection 1, there may be deducted in computing the income of a corporation for a taxation year all corporation taxes payable in the taxation year by the corporation. Corporation  
taxes  
deductible

(4) In this section, Interpre-  
tation

(a) "corporation income tax" means a tax imposed by the Parliament of Canada or by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax of general application on the profits of corporations;

(b) "corporation tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax on corporations, but does not include,

(i) a corporation income tax, or

(ii) any other tax declared by the regulations not to be a corporation tax.

18.—(1) In computing a corporation's income for a taxation year, in this subsection referred to as the "current year", where,

Reserve in  
respect of  
consideration  
for disposition  
of resource  
property not  
due until  
subsequent  
year

- (a) by virtue of clause *a* or *c* of subsection 3 of section 16, subsection 11 of section 20, or clause *a* of subsection 12 of section 20, an amount has been included in computing the corporation's income for the current year or a previous taxation year; or
- (b) an amount referred to in paragraph *b* of subsection 1 of section 64 of the *Income Tax Act* (Canada) has been included in computing, for the purposes of this Act, the corporation's income for that previous taxation year,

in respect of the disposition of any property and that amount or a part thereof is not due until a day that is after the end of the current year, there may be deducted as a reserve in respect of that amount the part thereof that is not due until a day that is after the end of the current year, not exceeding, where the property was disposed of in a taxation year preceding the current year, any amount deducted under this subsection in respect of the disposition of the property in computing the corporation's income for the taxation year immediately preceding the current year, and for greater certainty, no deduction may be made in respect of that amount under paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of section 14 of this Act.

R.S.C. 1952,  
c. 148

Application of  
subs. 1

(2) Subsection 1 does not apply to allow a deduction in computing the income of a corporation for a taxation year if the corporation, at any time in the taxation year or in the immediately following taxation year,

- (a) ceases to be a resident of Canada;
- (b) becomes exempt from tax under any provision of this Part; or
- (c) if a non-resident, ceases to have a permanent establishment in Canada.

Application  
of section

(3) For the purpose of clause *d* of subsection 2 of section 1, this section applies in lieu of section 64 of the *Income Tax Act* (Canada).

Allowance for  
oil or gas well,  
mine or  
timber limit

19.—(1) There may be deducted in computing a corporation's income for a taxation year such amount as an allowance, if any, in respect of,

- (a) an oil or gas well, mineral resource or timber limit;  
or



- (b) the processing, to the prime metal stage or its equivalent, of ore from a mineral resource,

as is allowed by regulation.

(2) For greater certainty it is hereby declared that, in the Regulations case of a regulation made under subsection 1,

- (a) there may be prescribed by such regulation an amount in respect of any or all,

(i) oil or gas wells or mineral resources in which the corporation has an interest, or

(ii) processing operations described in clause *b* of subsection 1 that are carried on by the corporation; and

- (b) notwithstanding any other provision contained in this Act, the Lieutenant Governor in Council may prescribe the formula by which the amount that may be allowed to the corporation by such regulation shall be determined.

(3) Where a deduction is allowed under subsection 1 in respect of a coal mine operated by a lessee, the lessor and lessee may agree as to what portion of the allowance each may deduct and, in the event that they cannot agree, the Minister may fix the portions. Lessee's share of allowance

(4) For the purpose of clause *d* of subsection 2 of section 1, this section applies in lieu of section 65 of the *Income Tax Act* (Canada). Application R.S.C. 1952, c. 148

20.—(1) A principal-business corporation may deduct, in computing its income for a taxation year, the lesser of, Exploration and development expenses of principal-business corporations

- (a) the aggregate of such of its Canadian exploration and development expenses as were incurred by it before the end of the taxation year, to the extent that they were not deductible in computing income for a previous taxation year; and

- (b) of that aggregate, an amount equal to its income for the taxation year if no deduction were allowed under this section or section 19, minus the deductions allowed for the taxation year by subsection 5 and by sections 112 and 113 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

(2) A corporation other than a principal-business corporation may deduct, in computing its income for a taxation year, the lesser of,

(a) the aggregate of such of its Canadian exploration and development expenses as were incurred by it before the end of the taxation year to the extent they were not deductible in computing its income for a previous taxation year; and

(b) of that aggregate, the amount, if any, by which the greater of,

(i) such amount as the corporation may claim, not exceeding 20 per cent of the aggregate determined under clause *a*, and

(ii) the aggregate of,

(A) such part of its income for the taxation year as may reasonably be regarded as attributable to the production of petroleum or natural gas from wells in Canada or to the production of minerals from mines in Canada,

(B) its income for the taxation year from royalties in respect of an oil or gas well in Canada or a mine in Canada, and

(C) the aggregate of amounts each of which is an amount, in respect of a Canadian resource property or a property referred to in subclause ii of clause *a* of subsection 3 of section 16 or clause *c* of subsection 3 of section 16 that has been disposed of by it, equal to the amount, if any, by which,

1. the amount included in computing its income for the taxation year by virtue of subsection 3 of section 16 in respect of the disposition of the property,

exceeds,

2. the amount deducted under section 18 in respect of the property in computing its income for the taxation year,

if no deductions were allowed under section 19,

exceeds,

- (iii) the amount of any deduction allowed by the *Corporations Tax Application Rules, 1972* in respect of this subclause in computing its income for the taxation year.

(3) A corporation other than a principal-business corporation may deduct, in computing its income for a taxation year, the lesser of,

- (a) the aggregate of such of its Ontario exploration and development expenses as were incurred by it before the end of the taxation year to the extent that they were not deducted in computing its income for a previous year, minus that portion of the deduction allowed, if any, in computing its income for the taxation year under subsection 2 which is reasonably attributable to Ontario exploration and development expenses; and

Ontario  
exploration  
and  
development  
expenses;  
corporation  
other than  
a principal-  
business  
corporation

- (b) that portion of the amount determined under clause *a* equal to the amount of its income for the taxation year if no deductions were allowed under this section, minus,

- (i) that portion of the deduction allowed for the taxation year under subsection 2 which is reasonably attributable to Ontario exploration and development expenses, and

- (ii) the deduction allowed for the taxation year under sections 112 and 113 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

R.S.C. 1952,  
c. 148

(4) Subsection 3 of section 16, section 18 and subsections 2 and 3 do not apply in computing the income for a taxation year under this Part of a corporation, other than a principal-business corporation, whose business includes trading or dealing in rights, licences or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons.

Dealers

Canadian  
exploration  
and  
development  
expenses  
deductible  
by successor  
corporation  
and second  
successor  
corporation  
R.S.C. 1952.  
c. 148

(5) There may be deducted in computing the income for a taxation year of a corporation that is a successor corporation or a second successor corporation, as the case may be, within the meaning of subsection 6 or 7 of section 66 of the *Income Tax Act* (Canada), the amount, if any, that would be deductible by it under either of those subsections on the basis that the reference in paragraph *b* of each of the said subsections,

- (a) to "this section" is deemed to be a reference to this section of this Act;
- (b) to section 65 is deemed to be a reference to section 19 of this Act;
- (c) to subsection 2 of section 66.1 does not apply; and
- (d) to the *Income Tax Application Rules, 1971*, is deemed to be a reference to the *Corporations Tax Application Rules, 1972*.

Joint  
exploration  
corporation:  
renunciation  
of its  
exploration  
and develop-  
ment expenses  
in favour  
of shareholder  
corporation

(6) The portion, if any, of its Canadian exploration and development expenses that a joint exploration corporation may renounce in favour of a shareholder corporation shall be determined in accordance with the rules provided in subsection 10 of section 66 of the *Income Tax Act* (Canada) and paragraphs *a* and *b* of the said subsection are applicable, except that for the purposes of this subsection,

- (a) the references in the said subsection to subsections 1 and 3 of that section shall be deemed to be references to subsections 1 and 2 of this section; and
- (b) the references in paragraph *b* of the said subsection to paragraph *a* of subsection 1 of that section shall be deemed to be a reference to clause *a* of subsection 1 of this section.

Control  
change

(7) Subsection 11 of section 66 of the *Income Tax Act* (Canada) is applicable for the purposes of this section, except that, in its application for the purposes of this section, the said subsection shall be read without the reference therein to "cumulative Canadian exploration expense, cumulative Canadian development expense and foreign exploration and development expenses".

Computation  
of explora-  
tion and  
development  
expenses

(8) In computing the Canadian exploration and development expenses and Ontario exploration and development expenses of a corporation,

- (a) there shall be deducted the aggregate of all amounts paid to it after 1971 and before the 25th day of May, 1976,

- (i) under the *Northern Mineral Exploration Assistance Regulations* (Canada) made under an *Appropriation Act* (Canada) that provides for payments in respect of the Northern Mineral Grants Program,
- (ii) pursuant to any agreement entered into between the corporation and Her Majesty in right of Canada under the Northern Mineral Grants Program or the Development Program of the Department of Indian Affairs and Northern Development, or
- (iii) under the *Mineral Exploration Assistance Program* (Ontario),

to the extent that the amounts have been expended by the corporation as or on account of Canadian exploration and development expenses or Ontario exploration and development expenses, as the case may be; and

- (b) there shall be included any amount, except an amount in respect of interest, paid by the corporation, after 1971 in respect of amounts paid to it before the 25th day of May, 1976, under the Regulations referred to in subclause i of clause a to Her Majesty in right of Canada and under the *Mineral Exploration Assistance Program* (Ontario) to Her Majesty in right of Ontario.

(9) Except as otherwise provided in this section, where a corporation has incurred an outlay or expense in respect of which a deduction from income is authorized under more than one provision of this section, the corporation is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction. Limitations

(10) Notwithstanding subsection 9, a corporation that is entitled to a deduction under both subsections 2 and 3 may, in addition to the deduction under subsection 2, deduct such additional amount as it may claim in respect of Ontario exploration and development expenses under subsection 3. Idem

(11) Except as expressly otherwise provided in this Act, where, as a result of a transaction occurring after the 6th day of May, 1974, an amount has become receivable by a corporation at a particular time in a taxation year and the consideration given by the corporation therefor was property (other than a property referred to in subsection 3 of section Limitations of Canadian exploration and development expenses



16 or a share or interest therein or a right thereto) or services, the original cost of which to the corporation may reasonably be regarded as having been primarily Canadian exploration and development expenses of the corporation or would have been so regarded if they have been incurred by the corporation after 1971, there shall be included in its income for that taxation year the amount that became receivable by it at that time.

Unitized oil  
or gas field  
in Canada

(12) Where, pursuant to an agreement between a corporation and another person to unitize an oil or gas field in Canada, an amount has become receivable by the corporation at a particular time after the 6th day of May, 1974 from that other person in respect of Canadian exploration and development expenses incurred by the corporation, or expenses that would have been Canadian exploration and development expenses if they had been incurred by it after 1971, in respect of that field or any part thereof, the following rules apply,

- (a) there shall, at that time, be included in computing the corporation's income for the taxation year the amount that became receivable by it; and
- (b) there shall, at that time, be included by the other person, where that person is a corporation, in its drilling or exploration expense the amount that became payable by that person.

Amount  
deemed  
deductible  
under this  
Subdivision

(13) For the purposes of section 12, any amount deductible under the *Corporations Tax Application Rules, 1972* in respect of this subsection shall be deemed to be deductible under this Subdivision.

Interpre-  
tation  
R.S.C. 1952,  
c. 148

(14) In this section and in the provisions of the *Income Tax Act* (Canada) made applicable for the purposes of this section,

- (a) "agreed portion" has the meaning given to that expression by paragraph *a* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (b) "Canadian exploration and development expenses" incurred by a corporation means,
  - (i) any drilling or exploration expense, including any general geological or geophysical expense, incurred by the corporation after 1971 on or in respect of exploring or drilling for petroleum or natural gas in Canada,

- (ii) any prospecting, exploration or development expense incurred by it after 1971 in searching for minerals in Canada,
- (iii) notwithstanding paragraph *m* of subsection 1 of section 18 of the *Income Tax Act* (Canada), R.S.C. 1952, c. 148, as that section applies to this Act by virtue of section 14 of this Act, the cost to the corporation of a Canadian resource property, but for greater certainty not including any payment made to any of the persons referred to in any of the subparagraphs i to iii of the said paragraph *m* for the preservation of a person's rights in respect of a Canadian resource property or a property that would have been a Canadian resource property if it had been acquired by the corporation after 1971, and not including a payment to which the said paragraph *m* applied by virtue of subparagraph v thereof,
- (iv) the corporation's share of any of the expenses referred to in subclauses i, ii and iii incurred after 1971 by any association, partnership or syndicate in a fiscal period thereof, if at the end of that fiscal period the corporation was a member or partner thereof, and
- (v) any expenses referred to in subclauses i, ii and iii incurred after 1971 pursuant to an agreement with another corporation under which the corporation incurred the expense solely in consideration for shares of the capital stock of the other corporation issued to it by the other corporation or any interest in such shares or right thereto,

but for greater certainty, does not include,

- (vi) any consideration given by the corporation for any share or any interest therein or right thereto, except as provided by subclause v, or
- (vii) any expense described in subclause v incurred by another person to the extent that the expense was, by virtue of subclause v, a Canadian exploration and development expense of that other person,



but no amount of assistance or benefit that a corporation has received or is entitled to receive after the 25th day of May, 1976 from a government, municipality or other public authority in respect of or related to its Canadian exploration and development expenses, whether as a grant, subsidy, forgivable loan, deduction from royalty or tax, investment allowance or any other form of assistance or benefit, shall reduce the amount of any of the expenses described in any of subclauses i to v;

(c) "drilling or exploration expense" incurred on or in respect of exploring or drilling for petroleum or natural gas has the meaning given to that expression by paragraph *d* of subsection 15 of section 66 of the *Income Tax Act* (Canada);

(d) "joint exploration corporation" has the meaning given to that expression by paragraph *g* of subsection 15 of section 66 of the *Income Tax Act* (Canada);

(e) "Ontario exploration and development expenses" incurred by a corporation means any expenses that would be Canadian exploration and development expenses incurred by the corporation if clause *b* of this subsection were read as if the references therein to,

(i) "in Canada" were references to "in Ontario",

(ii) "after 1971" were references to "after the 9th day of April, 1974", and

(iii) "Canadian" were references to "Ontario";

(f) "Ontario resource property" of a corporation means any property that would be a Canadian resource property of the corporation within the meaning of paragraph *c* of subsection 15 of section 66 of the *Income Tax Act* (Canada) if that paragraph were read as if the references therein to,

(i) "in Canada" were references to "in Ontario", and

(ii) "after 1971" were references to "after the 9th day of April, 1974";

(g) "principal-business corporation" has the meaning given to that expression by paragraph *h* of subsection 15 of section 66 of the *Income Tax Act* (Canada); R.S.C. 1952,  
c. 148

(h) "shareholder corporation" of a joint exploration corporation has the meaning given to that expression by paragraph *i* of subsection 15 of section 66 of the *Income Tax Act* (Canada), except that subparagraph ii thereof shall, in its application for the purposes of this section, be read without the reference therein to "a Canadian exploration expense or a Canadian development expense".

(15) For the purposes of clause *d* of subsection 2 of section 1, this section applies in lieu of sections 66, 66.1 and 66.2 of the *Income Tax Act* (Canada). Application

21. Section 66.3 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as that section applies to corporations. Shares  
taxed as  
inventory

#### SUBDIVISION E—RULES RELATING TO COMPUTATION OF INCOME

22.—(1) The rules provided in subdivision f of Division B of Part I of the *Income Tax Act* (Canada), relating to the computation of income are, in so far as the said rules apply to corporations, applicable in computing income for the purposes of this Act. R.S.C. 1952,  
c. 148,  
Part I (B) (f),  
applicable

(2) In computing income, no deduction shall be made in respect of an outlay or expense in respect of which any amount is otherwise deductible under this Act, except to the extent that the outlay or expense was reasonable in the circumstances. General  
limitation  
re expenses

23.—(1) Section 245 of the *Income Tax Act* (Canada) is applicable in computing income for the purposes of this Act, except that, Artificial  
transactions

(a) paragraph *b* of subsection 2 thereof is not applicable; and

(b) the reference therein to Part I of that Act shall be deemed to be reference to Part II of this Act.

Dividend  
stripping

R.S.C. 1952,  
c. 148

(2) In computing the income of a corporation for a taxation year there shall be included an amount that is included in computing the income of the corporation under Part XVI of the *Income Tax Act* (Canada) pursuant to section 247 of that Act.

#### SUBDIVISION F—AMOUNTS NOT INCLUDED IN COMPUTING INCOME

Amounts not  
included in  
income:

24. There shall not be included in computing the income of a corporation for a taxation year,

federal  
grants  
1965, c. 12  
(Can.)  
R.S.C. 1970,  
cc. 1-10, R-3  
1970-71-72,  
c. 56 (Can.)

(a) an amount paid to a corporation on account of a grant under the *Area Development Incentives Act* (Canada), the *Industrial Research and Development Incentives Act* (Canada), the *Regional Development Incentives Act* (Canada), or the *Employment Support Act* (Canada); and

other  
amounts

(b) an amount determined in accordance with the rules provided in paragraphs *b*, *c*, *l* and *m* of subsection 1 of section 81 of the *Income Tax Act* (Canada).

#### SUBDIVISION G—CORPORATIONS RESIDENT IN CANADA AND THEIR SHAREHOLDERS

R.S.C. 1952,  
c. 148,  
Part I (B) (h),  
applicable

25.—(1) Except as hereinafter provided, the rules provided in subdivision h of Division B of Part I of the *Income Tax Act* (Canada) are applicable for the purposes of this Act.

Amalga-  
mations  
consideration  
for resource  
property  
disposition

(2) In lieu of the rule provided in paragraph *p* of subsection 2 of section 87 of the *Income Tax Act* (Canada) with respect to amalgamations, the following rule is applicable for the purposes of this Act:

For the purpose of computing a deduction from the income of the new corporation for a taxation year under section 18, any amount that has been included in computing the income of a predecessor corporation for its last taxation year or a previous taxation year by virtue of clause *a* or *c* of subsection 3 of section 16, or subsection 11 or 12 of section 20, or by virtue of subsection 15 or 16 of section 58 of *The Corporations Tax Act* as it read in its application to the taxation years prior to 1972, shall be deemed to have been included in computing the income of the new corporation for a previous taxation year by virtue thereof.

(3) Paragraph *z* of subsection 2 of the said section 87 is not applicable for the purposes of this Act.

R.S.C. 1952,  
c. 148,  
s. 87 (2) (z),  
not applicable

(4) Paragraph *e.2* of subsection 1 of section 88 of the *Income Tax Act* (Canada) shall, in its application for the purposes of this Act, be read without reference therein to paragraph *z* of subsection 2 of section 87 of the said Act, and as though the reference therein to paragraph *p* of the said subsection 2 were a reference to subsection 2 of this section.

R.S.C. 1952,  
c. 148,  
s. 88 (1) (e. 2),  
applicable

(5) For the purposes of subsection 4 of section 16 and section 31, where a corporation (hereinafter in this section referred to as the "vendor") has transferred shares of the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977* to another corporation (hereinafter in this section referred to as the "purchaser") pursuant to an amalgamation within the meaning of section 87 of the *Income Tax Act* (Canada) or the winding-up of a Canadian corporation within the meaning of section 88 of that Act, or the vendor and the purchaser have jointly elected under section 85 of that Act in respect of those shares, the following rules apply,

Transfer of  
V.I.C.  
shares on  
amalgamation  
or winding-up  
1977, c. 10

(a) the vendor shall be deemed to have disposed of the shares for proceeds of disposition equal to the cost to it of the shares; and

(b) the purchaser shall be deemed to have acquired the shares at a cost equal to the amount determined under clause *a*.

(6) In the application of the said subdivision *h* for the purposes of this Act, the references in section 84.2, paragraphs *g* and *k* of subsection 1 of section 89 and subsection 3 of section 89 of the *Income Tax Act* (Canada), to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

"Minister"  
deemed to  
be Minister  
of National  
Revenue

#### SUBDIVISION H—SHAREHOLDERS OF CORPORATIONS NOT RESIDENT IN CANADA

26.—(1) The provisions of subdivision *i* of Division B of Part I of the *Income Tax Act* (Canada) are applicable in computing the income of a corporation for a taxation year for the purposes of this Act.

R.S.C. 1952,  
c. 148,  
Part I (B) (1),  
applicable

(2) In the application of the said subdivision *i* for the purposes of this Act, the references therein to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

Idem

## SUBDIVISION I—PARTNERSHIPS AND THEIR MEMBERS

R.S.C. 1952,  
c. 148,  
Part I (B) (j),  
applicable

27.—(1) Except as hereinafter provided, the rules provided in subdivision j of Division B of Part I of the *Income Tax Act* (Canada) with respect to partnerships and their members, are applicable for the purposes of this Act in so far as the said rules apply to corporations.

Exception

(2) Subsection 1.6 of section 96 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act.

Members of  
partnerships  
deemed to  
have  
permanent  
establishment  
in Ontario

(3) Where any activity in Ontario of a partnership in a taxation year is such that, if it were a corporation, it would be subject to subsection 2 or 3 of section 2, as the case may be, each corporation that is deemed to be a member of the partnership shall be deemed to be subject to subsection 2 or 3 of section 2, as the case may be, for that taxation year.

## SUBDIVISION J—BENEFICIARIES OF TRUSTS

R.S.C. 1952,  
c. 148,  
Part I (B) (k),  
applicable

28.—(1) In determining for the purposes of this Act the income of a corporation that is a beneficiary of a trust, subdivision k of Division B of Part I of the *Income Tax Act* (Canada) is applicable in so far as the said subdivision applies to corporations that are beneficiaries of trusts, and any amount included in or deducted from the income of a corporation for a taxation year by virtue of that subdivision shall be included or deducted, as the case may be, in computing its income for the taxation year for the purposes of this Act.

Idem

(2) In the application of the said subdivision for the purposes of this Act,

- (a) clause d of subsection 2 of section 1 of this Act does not apply; and
- (b) the references therein to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

## DIVISION C—COMPUTATION OF TAXABLE INCOME

R.S.C. 1952,  
c. 148,  
Part I (C),  
applicable

29.—(1) Except as hereinafter in this Division provided, in computing the taxable income of a corporation for a taxation year, Division C of Part I of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said Division applies to deductions permitted to corporations.



(2) In the application of paragraphs *a*, *b* and *b.1* of subsection 1 of section 110 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference therein to "receipts" shall be deemed to mean receipts or photostatic reproductions thereof.

Receipts;  
application of  
R.S.C. 1952,  
c. 148,  
s. 110 (1)

(3) For the purposes of this Act, "registered amateur athletic association" and "registered charity" mean respectively an amateur athletic association or a charity that, unless otherwise designated by the Minister, has been registered by the Minister of National Revenue for Canada pursuant to subsection 8 of section 110 of the *Income Tax Act* (Canada) and, unless otherwise designated by the Minister, whose registration has not been revoked.

Interpre-  
tation

(4) In the application, for the purposes of this Act, of subsection 3 of section 111 of the *Income Tax Act* (Canada), paragraph *a* thereof shall be read as if subparagraph ii thereof were deleted.

Losses;  
application of  
R.S.C. 1952,  
c. 148,  
s. 111 (3)

30.—(1) In computing a corporation's taxable income for a taxation year, there may be deducted the aggregate of amounts (the aggregate of which amounts is hereafter in this subsection referred to as "the amount contributed") that are contributions for the purposes of *The Election Finances Reform Act, 1975* and that are contributed in the taxation year, and in any previous taxation year ending after the 12th day of February, 1975 to the extent that such contributions have not already been deducted, by the corporation to registered candidates at an election of a member or members to serve in the Assembly, to registered constituency associations or to registered parties, provided that,

Election  
contributions

1975, c. 12

(a) subject to subsection 3, such deduction shall not exceed the least of,

(i) the amount contributed,

(ii) its taxable income computed without reference to this section, and

(iii) \$4,000; and

(b) payment of each amount that is included in the amount contributed is proven by filing with the Minister receipts that are signed by a recorded agent of the registered candidate, registered constituency association or registered party, as the case may be, and that contain the information prescribed to be shown on such receipts.

Interpre-  
tation

(2) In this section,

1975, c. 12

- (a) “recorded agent” means a person on record with the Commission on Election Contributions and Expenses as being authorized to accept contributions on behalf of a political party, constituency association or candidate registered under *The Election Finances Reform Act, 1975*;
- (b) “registered candidate”, with respect to an election of a member or members to serve in the Assembly, means a person who has been registered as a candidate for such election by the Commission on Election Contributions and Expenses and whose name has not been deleted from the register of candidates maintained by the Commission with respect to such election;
- (c) “registered constituency association” means a registered constituency association within the meaning given to that expression by *The Election Finances Reform Act, 1975*;
- (d) “registered party” means a registered party within the meaning given to that expression by *The Election Finances Reform Act, 1975*.

Corporations  
to which  
s. 34 is  
applicable

(3) In respect of a corporation to which section 34 is applicable, the amount deductible under clause *a* of subsection 1 is the aggregate of,

- (a) the amount which would otherwise be deducted under clause *a* of subsection 1; and
- (b) that proportion of the amount determined under clause *a* that,
  - (i) the taxable income of the corporation that is earned in jurisdictions other than Ontario (as computed for the purposes of section 34 and without reference to this section and section 31),

is to,

- (ii) the amount by which the taxable income of the corporation exceeds the amount referred to in subclause i.



31.—(1) In computing the taxable income of a corporation for a taxation year there may be deducted the lesser of,

Purchase  
of shares  
of Venture  
Investment  
Corporation

- (a) the aggregate of,
  - (i) the corporation's "eligible expenditure" for the year determined under subsection 2, and
  - (ii) that proportion of the amount referred to in subclause i that,
    - (A) the proportion of the corporation's taxable income determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (B) the amount by which the corporation's taxable income for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A; and
- (b) the taxable income of the corporation for the year determined without reference to this section and section 30.

(2) In this section, a corporation's "eligible expenditure" for a taxation year means the aggregate of,

Interpre-  
tation

- (a) the amount of the corporation's "undeducted eligible expenditure" determined under subsection 3 for the immediately preceding taxation year; and
- (b) an amount equal to 250 per cent of the cost incurred in the year for the acquisition of shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977*. . . <sup>1977, c. 10</sup>

(3) For the purposes of subsection 2, a corporation's "undeducted eligible expenditures" means the amount by which,

Interpre-  
tation

- (a) its "eligible expenditure" for a taxation year determined under subsection 2,

exceeds,

- (b) the amount deducted for that year under subsection 1 minus the proportion thereof that,
- (i) the taxable income of the corporation for the year that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (ii) the taxable income of the corporation for the year.

#### DIVISION D—TAXABLE INCOME EARNED IN CANADA BY NON-RESIDENTS

Non-residents' taxable income earned in Canada

32. The taxable income earned in Canada for a taxation year of a corporation to which subsection 2 or 3 of section 2 applies shall be computed in accordance with the rules provided in section 115 of the *Income Tax Act* (Canada) in so far as the said rules apply to corporations, except that for the purposes of this Act,

- (a) there shall be included income from property that is real property situated in Canada or any interest therein, that arose from the sale or rental thereof or both; and
- (b) the amount of the income included in accordance with the said rules and clause *a* shall be determined in accordance with this Act.

#### DIVISION E—COMPUTATION OF INCOME TAX PAYABLE

Rate

33. The tax payable by a corporation under this Part upon its taxable income or taxable income earned in Canada, as the case may be, in this section referred to as the "amount taxable", is 12 per cent of the amount taxable.

Deduction from income tax

34. There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation an amount equal to 12 per cent of that portion of its taxable income or taxable income earned in Canada, as the case may be, which is earned in the taxation year in each jurisdiction other than Ontario, determined under rules prescribed by the regulations.

Foreign tax deduction

35.—(1) Where a corporation has a permanent establishment in Ontario, and,

(a) the corporation has included in computing its income for the taxation year,

(i) income that was derived from sources within a jurisdiction outside Canada in the form of dividends, interest, rents or royalties received in the year,

(ii) income that is deemed to have been received in the form of dividends and interest from a jurisdiction outside Canada by virtue of the provisions of subsection 5 of section 148 of the *Income Tax Act* (Canada), or

R.S.C. 1952,  
c. 148

(iii) the amount by which,

(A) the aggregate of that part of the corporation's taxable capital gains for the taxation year from the disposition of property as may reasonably be considered to be income from a source within a jurisdiction outside Canada,

exceeds,

(B) the aggregate of such of the corporation's allowable capital losses for the year from the disposition of property as may reasonably be considered to be a loss from a source within that jurisdiction outside Canada,

hereinafter in this section referred to as "foreign investment income"; or

(b) the corporation, having included in its income for the taxation year foreign investment income from sources within a jurisdiction outside Canada, also included income from a business carried on by it in that jurisdiction, hereinafter in this section referred to as "foreign business income",

and where,

(c) for the purposes of subsection 2 of section 126 of the *Income Tax Act* (Canada), such foreign investment income has not been included as part of such foreign business income, and, for the purpose of allocating taxable income to a jurisdiction outside Ontario in accordance with the regulations made under sec-

tion 34 such foreign investment income has been excluded from the calculation of gross revenue or any part thereof; and

R.S.C. 1952,  
c. 148

- (d) the corporation is entitled to a deduction under section 126 of the *Income Tax Act* (Canada), hereinafter in this section referred to as "foreign tax credit", with respect to any income or profits tax paid to such jurisdiction on such foreign investment income or on such foreign investment income and foreign business income or is deemed to have been paid as income or profits tax to such jurisdiction by virtue of subsection 5 of section 148 of the *Income Tax Act* (Canada),

the corporation may deduct from the tax otherwise payable under this Part for the taxation year an amount equal to the lesser of,

- (e) 12 per cent of that part of such foreign investment income that is income that is included in that portion of taxable income that remains after deducting from such taxable income the portions thereof deemed to have been earned in jurisdictions other than Ontario for the purpose of section 34; and
- (f) the deficiency, if any, between,
  - (i) the income or profits tax paid for the taxation year by the corporation to the jurisdiction outside Canada in respect of the foreign investment income referred to in clause e, and
  - (ii) the foreign tax credit allowed for the taxation year in respect of such foreign investment income under subsection 1 of section 126 of the *Income Tax Act* (Canada).

Idem

(2) For greater certainty, where the income of a corporation for a taxation year is in whole or in part from sources in more than one jurisdiction outside Canada, subsection 1 shall be read as providing for a separate deduction in respect of each jurisdiction outside Canada.

Small  
business  
incentives

36.—(1) There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation that, with respect to that taxation year, is eligible for a deduction under section 125 of the *Income Tax Act* (Canada), an amount equal to 3 per cent of the amount determined under subsection 2.

(2) For the purposes of subsection 1, the amount determined under this subsection is that proportion of the least of the amounts determined under paragraphs *a*, *b*, *c* and *d* of subsection 1 of section 125 of the *Income Tax Act* (Canada) <sup>Idem</sup> R.S.C. 1952, c. 148 for the taxation year, not exceeding \$150,000, that,

- (a) the amount of that portion of its taxable income for the taxation year that is deemed to have been earned in Ontario, measured in accordance with paragraph *a* of subsection 4 of section 124 of the *Income Tax Act* (Canada),

bears to,

- (b) the total amount of the portions of its taxable income for the taxation year that are deemed to have been earned in the provinces of Canada, measured in accordance with paragraph *a* of subsection 4 of section 124 of the *Income Tax Act* (Canada).

(3) In lieu of the deduction permitted under subsection 1, for the taxation year that ends after the 6th day of April, 1976, and that includes that day, there may be deducted from the tax otherwise payable under this Part for that taxation year the amount that would otherwise be deductible under section 106*a* as that section stood on the 6th day of April, 1976, determined on the assumption that that section applied to the whole of that taxation year. <sup>Transitional rule; alternative deduction</sup>

(4) Where a corporation has made a deduction under subsection 1 for the taxation year that ends after the 6th day of April, 1976, and that includes that day, in addition to the amount deducted under subsection 1 there may be deducted from the tax otherwise payable under this Part for that taxation year the lesser of, <sup>Transitional rule; additional deduction</sup>

- (a) 3 per cent of the amount determined under subsection 2 for that taxation year; and
- (b) the amount that would have been deductible under subsection 3 of section 106*a* as that section stood on the 6th day of April, 1976 had that section applied to that taxation year.

(5) In this section, "tax otherwise payable under this Part" means the tax for the taxation year otherwise payable by the corporation under this Part after making any deduction applicable under sections 34 and 35, but before making any deduction under this section. <sup>Interpretation</sup>



Tax on tax

R.S.C. 1952,  
c. 148

37. Where, under a contract, will or trust, made or created before the 14th day of May, 1953, a person is required to make a payment to a corporation and is required by the terms of the contract, will or trust to pay an additional amount measured by reference to tax payable by such corporation under Part I of the *Income Tax Act* (Canada) and Part II of this Act by reason of the payment,

(a) the tax payable by the corporation under Part II of this Act for the taxation year in or in respect of which such payment is made or becomes payable is the amount that the tax of the corporation under Part II of this Act would be if no amount under the contract were included in computing its income for the taxation year plus,

(i) the amount by which its tax under Part II of this Act would be increased by including in computing its income,

(A) the payment, and

(B) the amount by which its tax under Part I of the *Income Tax Act* (Canada) would be increased by including the payment in computing its income, and

(ii) the amount by which the tax of the corporation under Part II of this Act would be further increased by including, in computing its income for the taxation year, the amount fixed by subclause i or the additional payment, whichever is the lesser; and

(b) if the person required to make the payment is a corporation and would otherwise be entitled to deduct the amounts payable under such a contract in computing its income for a taxation year, such corporation is not entitled to deduct the amount determined under subclause ii of clause a.

#### DIVISION F—SPECIAL RULES APPLICABLE IN CERTAIN CIRCUMSTANCES

Where  
corporation  
bankrupt

38. Where a corporation has become bankrupt, as defined in subsection 3 of section 128 of the *Income Tax Act* (Canada), the rules provided in the said section 128 are applicable for the purposes of this Act.

### *Investment Corporations*

39.—(1) Where a corporation is, throughout a taxation year, an investment corporation, other than a mutual fund corporation, subsections 1, 2 and 3 of section 131 of the *Income Tax Act* (Canada) as made applicable by section 41 of this Act are applicable in respect of the corporation for the taxation year as if,

Application  
of s. 41

R.S.C. 1952,  
c. 148

- (a) the corporation had been a mutual fund corporation throughout that and all previous taxation years ending after 1971 throughout which it was an investment corporation; and
- (b) its capital gains redemption for that and all previous taxation years ending after 1971, throughout which it would, but for the assumption made by clause *a*, not have been a mutual fund corporation, were nil.

(2) Subsection 6 of section 41 applies to a corporation to which this section applies. Idem

### *Mortgage Investment Corporations*

40. Where a corporation was, throughout a taxation year, a mortgage investment corporation, as defined in subsection 6 of section 130.1 of the *Income Tax Act* (Canada), the rules provided in the said section 130.1 are applicable in computing its income for the taxation year for the purposes of this Act.

R.S.C. 1952,  
c. 158, s. 130.1,  
applicable

### *Mutual Fund Corporations*

41.—(1) Except as hereinafter provided, where a corporation is a mutual fund corporation, section 131 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act.

R.S.C. 1952,  
c. 148,  
s. 131,  
applicable

(2) In the application of subparagraph i of paragraph *a* of subsection 2 of the said section 131 for the purposes of this Act, the reference therein to "20%" shall be read as a reference to "6%". Idem

(3) In the application of subsection 3 of the said section 131 for the purposes of this Act, the reference therein to "this Act" shall be deemed to be a reference to this Act. Idem

(4) In the application of clause A of subparagraph i of paragraph *a* and clause C of subparagraph ii of paragraph *b*,

Idem



of subsection 6 of the said section 131, for the purposes of this Act, the references therein to "5 times" shall be read as references to "16 $\frac{2}{3}$  times".

Idem

(5) In the application of paragraph *d* of subsection 6 of the said section 131 for the purposes of this Act, subparagraph *i* thereof shall be read without reference to clause C thereof, and the reference to "40%" in clauses A and B of the said subparagraph shall be read as references to "12 per cent".

Apportion-  
ment of  
capital  
gains  
refund

(6) Where a corporation had a permanent establishment in a jurisdiction outside Ontario during a taxation year in respect of which this section applies, the capital gains refund otherwise determined hereunder shall be reduced by that proportion thereof that the taxable income of the corporation that is deemed to have been earned in jurisdictions other than Ontario for the taxation year for the purposes of section 34 bears to its total taxable income or, where its taxable income is nil, the capital gains refund otherwise determined hereunder shall be reduced by that proportion thereof that the corporation's taxable paid-up capital that is deemed to have been used in jurisdictions outside Ontario for that taxation year for the purposes of section 132 bears to its total taxable paid-up capital.

Exceptions  
R.S.C. 1952,  
c. 148

(7) Subsections 5 and 9 of section 131 of the *Income Tax Act* (Canada) and paragraph *c* of subsection 6 of the said section are not applicable for the purposes of this Act.

### *Non-Resident-Owned Investment Corporations*

Computation  
of income

42.—(1) The income of a non-resident-owned investment corporation for a taxation year shall be computed as if its only income for the year was the amount, if any, by which its taxable capital gains for the year exceeds its allowable capital losses for the year, from dispositions of taxable Canadian property or property that would be taxable Canadian property if at no time in the year the corporation had been resident in Canada.

Computation  
of taxable  
income

(2) The taxable income of a non-resident-owned investment corporation for a taxation year is its income determined under subsection 1, minus its net capital losses for taxation years preceding and the taxation year immediately following the taxation year, as determined in accordance with section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

R.S.C. 1952,  
c. 148,  
s. 133 (5, 7.1, 7.2),  
applicable

(3) The provisions of subsections 5, 7.1 and 7.2 of section 133 of the *Income Tax Act* (Canada) are applicable for the purposes of this section.

### *Patronage Dividends*

43.—(1) Except as hereinafter provided, the provisions of section 135 of the *Income Tax Act* (Canada) with respect to the deduction from income of payments made pursuant to allocations in proportion to patronage and the inclusion in income of payments received pursuant to allocations in proportion to patronage are, in so far as they apply to corporations, applicable in computing income for the purposes of this Act. R.S.C. 1952, c. 148, s. 135, applicable

(2) Subsection 3 of the said section 135 is not applicable for the purposes of this Act. Non-application of s. 135 (3)

### *Credit Unions*

44.—(1) Except as hereinafter provided, the provisions of section 137 of the *Income Tax Act* (Canada) are applicable in computing the income of credit unions for the purposes of this Act. R.S.C. 1952, c. 148, s. 137, applicable

(2) Subsections 3 and 4 of the said section 137 and paragraph *c* of subsection 6 of the said section 137 are not applicable for the purposes of this Act. Exceptions

### *Deposit Insurance Corporations*

45.—(1) Except as hereinafter provided, the provisions of section 137.1 of the *Income Tax Act* (Canada) are applicable in computing the income of deposit insurance corporations and member institutions thereof for the purposes of this Act. R.S.C. 1952, c. 148, s. 137.1, applicable

(2) In the application of subsection 1 of the said section 137.1 for the purposes of this Act, the reference in paragraph *a* thereof to "this Part" shall be deemed to be a reference to Part II of this Act. Idem

(3) Subsection 9 of the said section 137.1 is not applicable for the purposes of this Act. Exception

### *Insurance Corporations*

46.—(1) Notwithstanding any other provision of this Act, except as hereinafter provided, the taxable incomes of insurance corporations that carry on an insurance business in Ontario shall, for the purposes of this Act, be computed in accordance with the rules provided in sections 138, 140, 141, 141.1 and 142 of the *Income Tax Act* (Canada). Calculation of taxable income

Interpre-  
tation

(2) In the application of subsection 1 of the said section 138 for the purposes of this Act, the reference in paragraph *d* thereof to "this Part" shall be deemed to be a reference to Part II of this Act.

Application  
of rules  
under  
R.S.C. 1952,  
c. 148

47. The rules provided in section 139 of the *Income Tax Act* (Canada), with respect to the conversion of a provincially incorporated life insurance corporation into a mutual corporation, are applicable for the purposes of this Act.

Amounts to  
be included  
in computing  
policy-  
holder's  
income

48. Subsection 2 of section 142 of the *Income Tax Act* (Canada) is, in so far as it applies to corporations, applicable for the purposes of this Act.

#### DIVISION G—EXEMPTIONS

Exemptions

49.—(1) Except as hereinafter provided, no tax is payable under this Part upon the taxable income of a corporation for a period when that corporation was,

Charities  
and other  
corporations

(a) a corporation referred to in paragraph *c, d, e, f, h.1, i, j, k, m, n* or *o* of subsection 1 of section 149 of the *Income Tax Act* (Canada);

Non-profit  
organizations

(b) a club, society or association that, in the opinion of the Minister, was not a charity within the meaning given to that expression by subsection 1 of section 149.1 of the *Income Tax Act* (Canada) and that was organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, which has not in the taxation year or in any previous taxation year distributed any part of its income to any proprietor, member or shareholder thereof, or appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof, unless the proprietor, member or shareholder was a club, society or association, the primary purpose and function of which was the promotion of amateur athletics in Canada; or

Farmers' and  
fishermen's  
insurers

(c) an insurer, who was engaged during the period in no business other than insurance, if, in the opinion of the Minister on the advice of the Superintendent of Insurance, 50 per cent of its gross premium income for the period was in respect of the insurance of farm property, property used in fishing or residences of farmers or fishermen.

(2) Where a corporation described in clause *b* of subsection 1,

Tax payable  
where distri-  
bution made  
to members or  
shareholders

- (a) has in the taxation year distributed any part of its income or distributed or otherwise appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof, such corporation shall be liable to the taxes imposed under this Act for the taxation year in which the distribution is made and for subsequent taxation years, and in computing its income for the taxation year in which the distribution is made, it shall include the aggregate of its income of all previous taxation years; or
- (b) has, after 1971, distributed any of its income or distributed or otherwise appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof on the winding up or discontinuance of its business, the corporation shall be deemed to have received income in that taxation year equal to the amount, if any, by which the amount of the funds and the value of the property distributed or appropriated, as the case may be, exceeds the aggregate of,
  - (i) amounts paid in by proprietors, members or shareholders on account of capital, and
  - (ii) that part of the corporation's surplus that is attributed to income that was exempt under this section other than taxable capital gains,

and the corporation shall be liable for the taxes imposed under this Act for the taxation year in which the distribution is made.

(3) For the purposes of clause *b* of subsection 1, in computing the part, if any, of any income that was distributed or otherwise appropriated for the benefit of any person, the amount of such income shall be deemed to be the amount thereof otherwise determined less the amount of any taxable capital gains included therein.

Income not  
to include  
taxable  
capital  
gains

(4) The rules provided in subsections 2, 3, 4, 6, 8, 9 and 10 of section 149 of the *Income Tax Act* (Canada) are applicable for the purposes of this section.

Application  
of rules  
under  
R.S.C. 1952,  
c. 148



Idem

R.S.C. 1952,  
c. 148

(5) In the application of subsection 2 of section 149 of the *Income Tax Act* (Canada) for the purposes of this Act, the said subsection shall be read without the reference therein to paragraph *l*.

s. 126 (1) (c),  
re-enacted

9.—(1) Clause *c* of subsection 1 of section 126 of the said Act is repealed and the following substituted therefor:

(c) all its reserves, whether created from income or otherwise, except any reserve the creation of which is allowed as a deduction under the provisions of Part II, except paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of subsections 1 and 8 of section 14 of this Act.

s. 126 (1) (d),  
re-enacted

(2) Clause *d* of subsection 1 of the said section 126, as re-enacted by the Statutes of Ontario, 1973, chapter 42, section 11, is repealed and the following substituted therefor:

(d) all sums or credits advanced or loaned to the corporation by its shareholders directly or indirectly or by any person related to any of its shareholders or by any other corporation; and

. . . . .

s. 127 (1) (b),  
re-enacted

10.—(1) Clause *b* of subsection 1 of section 127 of the said Act is repealed and the following substituted therefor:

(b) the amount of the discount on the issue or sale of the shares of the corporation.

s. 127 (1) (c),  
re-enacted

(2) Clause *c* of subsection 1 of the said section 127, as amended by the Statutes of Ontario, 1976, chapter 32, section 17, is repealed and the following substituted therefor:

Investments

(c) the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a*, *b* and *d* which the cost of the investments made by the corporation in the shares and bonds of other corporations, in loans and advances to other corporations and in the bonds, debentures and other securities of any government, municipal or school corporation bears to the total of the assets of the corporation remaining after the deductions of the amounts provided by clauses *a*, *b* and *d*, but,

SECTION 9. Subsection 1 of this section amends a cross-reference in clause *c* of subsection 1 of section 126 of the Act. This change is complementary to the amendments made by section 8 of the Bill. Subsection 2 of this section amends clause *d* of subsection 1 of the said section 126, which section defines the amounts required to be included in the calculation of paid-up capital. Clause *d* is amended by adding thereto the words "or by any person related to any of its shareholders" to make it clear that sums or credits advanced or loaned to the corporation by such persons are to be included in the paid-up capital of the corporation.

SECTION 10. This section amends section 127 of the Act. The changes contained in subsection 1 of section 127 extend the deduction from paid-up capital to all corporations which have issued their share of a discount. The deduction was previously limited to Ontario mining corporations incorporated before 1970. The changes contained in subsections 3 and 4 of this section are amendments to cross-references and are complementary to the amendments made by section 8 of the Bill. Subsection 2 of this section amends clause *c* of subsection 1 of section 127 of the Act for the purpose of clarification and to make it clear that the deduction permitted under that clause shall not exceed the cost of the investments with respect to which the deduction is claimed.

SECTION 11. This section amends subclause ii of clause *b* of subsection 1 of section 128 of the Act, relating to the calculation of paid-up capital employed in Canada by non-resident corporations. The subclause is amended to clarify the wording and to provide that loans from banks and loans made to the corporation by "any person related to any of its shareholders" will be taxable in the same way as such amounts are taxed as part of the paid-up capital of resident corporations under section 126.



- (i) the deduction under this clause shall in no case exceed the cost of the investments in respect of which the deduction is claimed, and
- (ii) cash on deposit with any corporation doing the business of a savings bank and amounts due by a corporation with its head office outside Canada to a subsidiary controlled corporation or a subsidiary wholly-owned corporation taxable under this Part are deemed not to be loans and advances to other corporations.

(3) Clause *d* of subsection 1 of the said section 127, as enacted by the Statutes of Ontario, 1976, chapter 32, section 17, is amended by striking out "section 63" in the fifth line and inserting in lieu thereof "section 20". s. 127 (1) (d),  
amended

(4) Clause *d* of subsection 2 of the said section 127 is repealed and the following substituted therefor: s. 127 (2) (d),  
re-enacted

- (d) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is deductible under the provisions of Part II except paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of subsections 1 and 8 of section 14 of this Act. R.S.C. 1952,  
c. 148

**11.** Subclause ii of clause *b* of subsection 1 of section 128 of the said Act is repealed and the following substituted therefor: s. 128 (1) (b)  
(ii),  
re-enacted

- (ii) the amount of the indebtedness of the corporation relating to its permanent establishments in Canada, but excluding therefrom,
  - (A) all amounts that are advanced or loaned to its permanent establishments in Canada by the corporation itself or by its shareholders directly or indirectly or by any person related to any of its shareholders or by any other corporation, and
  - (B) all other indebtedness that is represented by bonds, bond mortgages, debentures, income bonds, income debentures, mortgages, lien notes and

any other securities to which the property in Canada or any of it is subject,

s. 130,  
amended

- 12.** Section 130 of the said Act is amended by striking out "clause *c* of subsection 1 of section 75" in the seventh and eighth lines and inserting in lieu thereof "paragraph *c* of subsection 1 of section 81 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of section 24 of this Act".

s. 135,  
re-enacted

- 13.** Section 135 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 75, section 10, is repealed and the following substituted therefor:

Idem

135.—(1) Except as provided in subsection 10 of section 14, every corporation referred to in subsection 1 of section 49, other than a corporation referred to in paragraph *m* of subsection 1 of section 149 of the *Income Tax Act* (Canada), shall not be required to pay the taxes otherwise payable under section 131 or 133.

Idem

(2) Subject to subsection 3, every corporation referred to in clause *d* of subsection 1 of section 1, and sections 40 and 44 of this Act and paragraph *m* of subsection 1 of section 149 of the *Income Tax Act* (Canada) shall, in lieu of the tax payable under section 131 or 133, pay a tax of \$50.

Idem

(3) Subsection 2 does not apply in the case of a corporation referred to in clause *d* of subsection 1 of section 1 where, pursuant to subsection 2 of section 31 of the *Income Tax Act* (Canada) as made applicable by subsection 1 of section 14 of this Act, the Minister has determined that the chief source of income of the corporation for a taxation year is neither farming nor a combination of farming and some other source of income.

s. 137,  
amended

- 14.** Section 137 of the said Act is amended by striking out "section 122" in the first line and in the sixth line and inserting in lieu thereof in each instance "section 49".

s. 145,  
amended

- 15.** Section 145 of the said Act is amended by adding thereto the following subsection:

Trustees,  
etc.

(3) Every trustee in bankruptcy, assignee, liquidator, curator, receiver, trustee or committee and every agent or other person administering, managing, winding-up, controlling or otherwise dealing with the property, business, estate or income of a corporation that has not filed a return for a

SECTIONS 12 AND 14. These sections amend cross-references in sections 130 and 137 and are complementary to the amendments contained in section 8 of this Bill.

SECTION 13. This section re-enacts section 135 of the Act to amend cross-references and these amendments are complementary to the amendments contained in section 8 of the Bill. In addition, subsection 1 of section 135 is amended to provide that the corporations referred to, which were previously required to pay a tax of \$5 in lieu of the paid-up capital tax otherwise payable, will henceforth not be required to pay any paid-up capital tax.

SECTION 15. This section amends section 145 of the Act by adding thereto a new subsection 3 to provide that trustees in bankruptcy, assignees, liquidators, receivers and other persons administering or managing the property or business of the corporation be required to file the annual return where the corporation has not done so. This amendment is required as a result of the amendment to the definition of corporation, which definition previously dealt with this situation.

SECTION 16. This section amends section 148 of the Act. Subsection 1 of this section amends subsection 3 of section 148 of the Act, which provides the rules for the time of payment of tax, in order to parallel as much as possible the amendment to the corresponding section of the *Income Tax Act* (Canada). Clause *b* of subsection 3 of section 148 determines when the final payment of tax for a taxation year is to be made and subclause *i* previously provided that where a corporation had claimed the small business deduction under section 125 of the *Income Tax Act* (Canada) for the previous taxation year, it could make the final payment on or before the last day of the third month following the end of the taxation year in question (all other corporations are required to make the last payment on or before the last day of the second month following the end of the taxation year). The present amendment provides that a corporation may make the final payment on or before the last day of the third month following the end of the taxation year if it deducted an amount under the federal section 125 for that year, even though it may not have made a deduction for the previous year. Subsections 2 and 3 of this section amend cross-references contained in subsections 5 and 6 of the said section 148 and are complementary to the amendments contained in section 8 of the Bill.

SECTION 17. This section of the Bill amends a cross-reference contained in subsection 4 of section 149 of the Act and is complementary to the amendments contained in section 8 of the Bill.

SECTION 18. This section amends section 150 of the Act. Subsection 1 of this section amends subsection 1 of section 150 of the Act and enacts new subsections 1*a* and 1*b*, in line with the amendments to the corresponding section of the *Income Tax Act* (Canada). The amendments will require the Minister to determine the amount of the capital gains refunds to the mutual fund corporations, investment corporations and other corporations entitled to such refunds (subsection 1 of section 150) and allows the Minister to determine the amount of a corporation's non-capital loss, net capital loss or restricted farm loss (new subsection 1*a* of section 150). In addition, it is provided that the sections relating to objections and appeals from assessments are applicable to such determinations (new subsection 1*b* of section 150). Previously, a corporation could not appeal from such determination since they were not "assessments" to which the appeal provisions would apply. Subsections 2 and 3 of this section amend cross-references in subsections 4 and 5 of section 150 of the Act and are complementary to the amendments contained in section 8 of the Bill.

taxation year as required by this section shall file the return required by subsection 1 for that corporation for that year.

- 16.**—(1) Subclause i of clause b of subsection 3 of section 148 of the said Act, as re-enacted by the Statutes of Ontario, 1975, chapter 17, section 64, is repealed and the following substituted therefor:

- (i) on or before the last day of the third month of the taxation year following that in respect of which the tax is payable, where an amount was deducted by virtue of section 125 of the *Income Tax Act* (Canada) in computing the tax payable by the corporation under Part I of that Act for the taxation year or the immediately preceding taxation year, or

s. 148 (3) (b) (i),  
re-enacted

S.C. 1952,  
c. 148

- (2) Clause b of subsection 5 of the said section 148, as enacted by the Statutes of Ontario, 1976, chapter 32, section 19, is amended by striking out “subsections 2 and 2a of section 109” in the second and third lines and inserting in lieu thereof “section 41”.

s. 148 (5) (b),  
amended

- (3) Subsection 6 of the said section 148, as enacted by the Statutes of Ontario, 1976, chapter 32, section 19, is amended by striking out “subsections 2 and 2a of section 109” in the fourth and fifth lines and inserting in lieu thereof “section 41”.

s. 148 (6),  
amended

- 17.** Subsection 4 of section 149 of the said Act is amended by striking out “section 99” in the second line and in the twelfth line and inserting in lieu thereof in each instance “section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act”.

s. 149 (4),  
amended

- 18.**—(1) Subsection 1 of section 150 of the said Act is repealed and the following substituted therefor:

s. 150 (1),  
re-enacted

(1) The Minister shall with all due despatch examine each return delivered under section 145, shall assess the tax for the taxation year and the interest and penalties, if any, payable and shall determine the amount of refund, if any, to which the corporation may be entitled by virtue of section 39 or 41 for the taxation year.

Assessment  
of returns

(1a) The Minister may determine the amount of a corporation's non-capital loss, net-capital loss or restricted farm loss for a taxation year where, in his opinion, the amount thereof is different from the amount reported by the corporation in its return delivered under section 145 for the taxation year.

Deter-  
mination  
of loss



Provisions  
applicable  
R.S.C. 1952,  
c. 148

(1*b*) The provisions of paragraph 1 of subsection 1 of section 56 and paragraph *o* of section 60 of the *Income Tax Act* (Canada), as those paragraphs apply by virtue of sections 16 and 17, respectively, of this Act, and the provisions of this Part shall apply, *mutatis mutandis*, to a determination under subsection 1 or 1*a*.

s. 150 (4) (a)  
(v),  
re-enacted

(2) Subclause *v* of clause *a* of subsection 4 of the said section 150 is repealed and the following substituted therefor:

(v) has claimed a deduction under paragraph *s* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as made applicable by section 14 of this Act; and

. . . . .

s. 150 (5),  
amended

(3) Subsection 5 of the said section 150 is amended by striking out "section 99" in the sixth line and inserting in lieu thereof "section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act".

s. 152 (4),  
amended

**19.**—(1) Subsection 4 of section 152 of the said Act is amended by inserting after "section 154" in the first line "or by virtue of a decision made under section 160*b*".

s. 152 (7),  
amended

(2) Subsection 7 of the said section 152 is amended by striking out "section 99" in the second line and in the twelfth and thirteenth lines and inserting in lieu thereof in each instance "section 111 of the *Income Tax Act* (Canada), as made applicable by section 29 of this Act".

s. 153 (1),  
amended

**20.** Subsection 1 of section 153 of the said Act is amended by striking out "to the extent that interest has been otherwise assessed under subsection 2 of section 149 except that under no circumstances shall the credit interest so allowed exceed the interest otherwise assessed under that section" in the ninth, tenth, eleventh, twelfth and thirteenth lines.

s. 154,  
amended

**21.** Section 154 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 32, section 21, is further amended by adding thereto the following subsection:

(6) Where a corporation has served a notice of objection to an assessment in accordance with this section or has instituted an appeal in accordance with section 155 and thereafter the Minister issues to the corporation,

(a) a reassessment or additional assessment of tax, interest or penalties under section 150; or

Reassess-  
ment,  
additional  
assessment or  
deter-  
mination  
does not in-  
validate  
objection  
or appeal

SECTION 19. This section amends section 152 of the Act. Subsection 1 of this section amends subsection 4 of the said section 152 to include therein a reference to the new section 160*b* enacted by section 24 of the Bill and is complementary to that amendment. Subsection 2 of this section amends a cross-reference to subsection 7 of section 152 and is complementary to the amendments contained in section 8 of the Bill.

SECTION 20. This section amends subsection 1 of section 153 of the Act to allow credit interest to be paid on overpayments of tax instalments. Previously such credit interest could only be used to offset interest charged on deficient instalments.

SECTION 21. This section of the Bill adds subsection 6 to section 154 of the Act relating to objections to assessments, and provides that a reassessment, additional assessment or determination for the same fiscal year in respect of which a notice of objection has already been served or an appeal taken, does not invalidate the notice of objection or the appeal. This amendment is similar to the amendment to the corresponding section of the *Income Tax Act* (Canada).



SECTION 22. This section amends section 155 of the Act relating to appeals to the Supreme Court.

Subsection 1 amends subsection 1 of section 155 in order to provide that the appeals shall not be instituted in the Divisional Court. Appeals to the Divisional Court are normally appeals from decisions of another tribunal in which the Divisional Court considers the transcripts of evidence in the other tribunal but does not really hold a new trial, whereas appeals to the Supreme Court under section 155 of the Act are in fact trials of the issues and it is more appropriate, therefore, that these appeals should be in the High Court rather than in the Divisional Court.

Subsection 2 repeals the provisions in section 155 of the Act requiring the payment into court of security for costs when an appeal is instituted. Section 155 will no longer require payment into court of security for costs.

SECTION 23. This section amends subsection 1 of section 157 of the Act which provides that on the filing in court of a notice of appeal and the reply of the Minister the matter is deemed to be an action in the court and ready for hearing. Because the rules of practice of the Supreme Court provide that once an action is ready for hearing no further interlocutory proceedings may be had, the phrase "and, unless the court otherwise orders, ready for hearing" would prohibit any interlocutory proceedings after the filing of the reply of the Minister. Those words are being removed so that such interlocutory proceedings as might otherwise be possible will not be prohibited by that rule.

SECTION 24. This section enacts two new sections to the Act.

Section 160a is added to the Act to permit the Minister to extend the time for serving a notice of objection or instituting an appeal. Previously there was no authority under the Act for the Minister or for the Court to allow an extension of the time, and there have been cases in which an extension of time could not be given even though there were compelling reasons for such an extension. This amendment will remove this harshness from the Act.

This section also adds section 160b to the Act which provides an alternative objection and appeal procedure. This section will apply where the assessment under *The Corporations Tax Act* is based on similar sections of the *Income Tax Act* (Canada) and the corporation wishes to object to both assessments and to raise the same issues in both objections. In such cases, the corporation may object to the assessment under *The Corporations Tax Act* simply by not filing the notice of objection under section 154. This procedure will apply only with respect to those assessments under *The Corporations Tax Act* that state on the face thereof that they are made pursuant to this section. Both the corporation and the Minister will be bound by the results of the federal objection; and the provisions of *The Corporations Tax Act* relating to objections and appeals will not be applicable. This procedure will therefore avoid the necessity of both a federal and provincial appeal on the same issues, which has in the past been to corporations a burdensome duplication of effort.

- (b) a determination of the amount of a refund or loss under subsection 1 or 1*a* of section 150,

for the taxation year in respect of which the notice of objection was served or the appeal instituted, and sends to the corporation a notice of such reassessment, additional assessment or determination,

- (c) the reassessment, additional assessment or determination does not invalidate the notice of objection or appeal, as the case may be; and
- (d) the corporation may, if section 160*b* does not apply, file an additional objection in respect of any new matters raised in the reassessments, additional assessment or determination, as the case may be.

**22.**—(1) Subsection 1 of section 155 of the said Act is amended by adding at the end thereof “and notwithstanding section 17 of *The Judicature Act* the appeal shall be heard and determined by a judge of the High Court and not by the Divisional Court”. s. 155 (1),  
amended

(2) Subsections 5 and 6 of the said section 155 are repealed. s. 155 (5, 6),  
repealed

**23.** Subsection 1 of section 157 of the said Act is amended by striking out “and, unless the court otherwise orders, ready for hearing” in the sixth and seventh lines. s. 157 (1),  
amended

**24.** The said Act is further amended by adding thereto the following sections: ss. 160*a*, 160*b*,  
enacted

160*a*. The time within which a notice of objection under subsection 1 of section 154 or a notice of appeal under subsection 1 of section 155 is to be served may be extended by the Minister if application for extension is made prior to the expiration of the time for service of the notice of objection or notice of appeal, as the case may be. Extension  
of time

160*b*.—(1) Where,

Alternative  
objection and  
appeal  
procedure

- (a) a notice of assessment is issued to a corporation under section 150 that states on the face thereof that the assessment or a designated part thereof has been made pursuant to this section (which assessment or part, as the case may be, is hereinafter referred to as the designated assessment);

- (b) a notice of assessment has been issued to the corporation under the *Income Tax Act* (Canada) based R.S.C. 1952,  
c. 148

on provisions in that Act corresponding to the provisions in this Act on which the designated assessment was based;

- (c) the corporation has served a notice of objection to the assessment referred to in clause *b* in which the same issues have been raised as would have been raised in an objection to the designated assessment; and
- (d) the corporation has not served in accordance with section 154 a notice of objection to the designated assessment,

this section applies to the designated assessment, and in any such case, sections 154 to 160 do not apply, but those sections do apply to the part, if any, of the assessment referred to in clause *a* that is not a designated assessment.

Corporation  
and Minister  
bound

(2) The corporation and the Minister shall, with respect to a designated assessment to which this section applies, be bound by,

- (a) the decision of the Minister of National Revenue for Canada from which no appeal is taken in accordance with the *Income Tax Act* (Canada); or
- (b) where an appeal is instituted, the final disposition of the appeal by the Tax Review Board or any court of competent jurisdiction; or
- (c) any minutes of settlement of the issues raised in the notice of objection to the assessment referred to in clause *b* of subsection 1 made between the corporation and the Minister of National Revenue for Canada at any stage of the proceedings following the service of that notice of objection,

and in any such case the Minister shall, where necessary, reassess the corporation in accordance therewith.

Idem

(3) Sections 154 to 160 do not apply to the reassessment referred to in subsection 2.

s. 167 (1. 2),  
re-enacted

**25.** Subsections 1 and 2 of section 167 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 32 and 1975, chapter 17, section 66, are repealed and the following substituted therefor:

SECTION 25. This section amends section 167 of the Act relating to the statutory lien for taxes and other amounts owing under the Act.

Subsection 1 of section 167 is re-enacted to provide that only such arrears and other amounts for the period commencing after December 31, 1972 will give rise to the statutory lien. Previously the lien commenced after December 31, 1967.

Subsection 2 of section 167 is re-enacted to provide an automatic annual updating of the December 31, 1972 date for commencement of the lien. Previously subsection 2 of section 167 created a lien on the property of railway companies and that provision is repealed because it became obsolete and was redundant to subsection 1 of section 167. This section also enacts a new subsection 2a to section 167 to preserve the lien where a notice thereof is registered in the proper land registry office.

SECTION 26. This section is an omnibus amendment and changes the term "fiscal year" to "taxation year" wherever it occurs in the Act. This amendment is complementary to the tax simplification measures contained in the Bill.

(1) All taxes, interest, penalties, costs and other amounts imposed under this or any predecessor Act in respect of any taxation year of a corporation that commenced in any calendar year ending after the 31st day of December, 1972 are debts due to Her Majesty and, subject to the *Bankruptcy Act* (Canada), are a first lien and charge upon property in Ontario of the corporation liable to pay such taxes, interest, penalties, costs and other amounts. Lien in respect of taxes and other amounts imposed R.S.C. 1970, c. B-4

(2) At the expiry of each calendar year following 1977, the reference in subsection 1 to "1972" shall be advanced by one year. Expiry of lien

(2a) Subsections 1 and 2 do not apply to extinguish or remove any lien or charge that is claimed under this or any predecessor Act in a Notice of Lien that is registered in the proper land registry office. Exception re registered liens

26. The said Act is further amended by striking out "fiscal year" wherever it occurs and inserting in lieu thereof in each instance "taxation year". Act amended

27.—(1) This Act, except clause *d* of subsection 7 and subsection 11 of section 14 of the said Act, subsection 5 of section 15 of the said Act, subsections 4, 5 and 6 of section 16 of the said Act, section 19 of the said Act, subsection 5 of section 25 of the said Act, and section 31 of the said Act, all as enacted by section 8 of this Act, subsection 1 of section 19 and sections 20, 21, 22, 23, 24, 25 and 26, of this Act, comes into force on the day it receives Royal Assent and applies to corporations in respect of all taxation years ending on or after that day. Commencement and application

(2) Clause *d* of subsection 7 of section 14 of the said Act and section 19 of the said Act, both as enacted by section 8 of this Act, shall be deemed to have come into force on the 20th day of April, 1977 and apply to corporations in respect of all taxation years ending after the 19th day of April, 1977. Idem

(3) Subsection 11 of section 14 of the said Act, subsection 5 of section 15 of the said Act, subsections 4, 5 and 6 of section 16 of the said Act, subsection 5 of section 25 of the said Act and section 31 of the said Act, all as enacted by section 8 of this Act, come into force on a day to be named by proclamation of the Lieutenant Governor, and when in force, apply to corporations in respect of all taxation years ending on or after the day that *The* Idem 1977, c. 10



*Venture Investment Corporations Registration Act, 1977*  
comes into force.

Idem

- (4) Subsection 1 of section 19 and sections 21, 22, 23, 24, 25 and 26 come into force on the day this Act receives Royal Assent.

Idem

- (5) Section 20 of this Act comes into force on the day this Act receives Royal Assent and applies to instalments of tax payable in respect of all taxation years ending on or after that day.

Idem  
R.S.C. 1952,  
c. 148.

- (6) The amendments to the *Income Tax Act* (Canada) made by,

(a) an Act to amend the *Income Tax Act*, being chapter 106 of the Statutes of Canada, 1974-75-76; and

(b) an Act to amend the *Income Tax Act*, being chapter 4 of the Statutes of Canada, 1976-77,

1972, c. 143

to sections of that Act which are by this Act made applicable for the purposes of *The Corporations Tax Act, 1972* shall be deemed to have come into force for the purposes of *The Corporations Tax Act, 1972* at the same time and to apply in the same manner as those amendments were brought into force and made applicable by the said Acts to amend the *Income Tax Act* (Canada).

Short title

- 28.** The short title of this Act is *The Corporations Tax Amendment Act, 1977*.









An Act to amend  
The Corporations Tax Act, 1972

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*1st Reading*

November 1st, 1977

*2nd Reading*

November 29th, 1977

*3rd Reading*

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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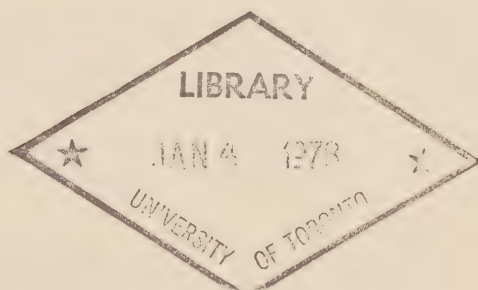
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Committee of the Whole House)*

1356  
BILL 88

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

An Act to amend  
The Corporations Tax Act, 1972

THE HON. MARGARET SCRIVENER  
Minister of Revenue



TORONTO

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BILL 88

1977

## An Act to amend The Corporations Tax Act, 1972

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Corporations Tax Act, 1972*, being chapter 143, as amended by the Statutes of Ontario, 1973, chapter 157, section 1, 1974, chapter 75, section 1, 1975, chapter 17, section 1 and 1976, chapter 32, section 1, is repealed and the following substituted therefor:

1.—(1) In this Act and in the application of the provisions of the *Income Tax Act* (Canada) that are by this Act made applicable for the purposes of this Act,

Interpre-  
tation  
R.S.C. 1952,  
c. 148

- (a) each of the interpretations contained in Part XVII of the *Income Tax Act* (Canada) are, except as hereinafter provided, applicable for the purposes of this Act;
- (b) the interpretations contained in the said Part XVII of the expressions "farming", "foreign resource property", "Minister", "paid-up capital", "regulations", "taxable income", "taxable income earned in Canada" and "tax payable" do not apply and in lieu thereof the following interpretations are applicable:
  - (i) "farming" includes tillage of the soil, live stock raising or exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing, and the keeping of bees, but does not include an office or employment under a person engaged in the business of farming and, for the purposes of subsection 2 of section 135 only, does not include the maintaining of horses for racing,



(ii) "foreign resource property" has the meaning given to that expression by section 15 of this Act,

(iii) "Minister" means, unless otherwise provided in this Act, the Minister of Revenue,

(iv) "paid-up capital" has the meaning given to that expression by paragraph *c* of subsection 1 of section 89 of the *Income Tax Act* (Canada), but such meaning does not apply for the purposes of Part III of this Act,

(v) "regulations" means regulations made under this Act,

(vi) "tax payable" by a corporation under any part of the Act means the tax payable by the corporation as fixed by assessment or reassessment subject to variation on objection or appeal, if any, in accordance with sections 154 to 160*b*, as the case may be,

(vii) "taxable income" has the meaning given to that expression by section 9 of this Act,

(viii) "taxable income earned in Canada" has the meaning given to that expression by section 10 of this Act;

R.S.C. 1970,  
cc. B-1, B-4

(c) "bank" means a bank to which the *Bank Act* (Canada) or the *Quebec Savings Banks Act* (Canada) applies;

(d) "family farm corporation" means a corporation that is throughout the taxation year a corporation,

(i) every share of the capital stock of which that confers on the holder thereof the right to vote was owned by an individual ordinarily resident in Canada or by any such individual and a member or members of his family ordinarily resident in Canada or by another family farm corporation,

(ii) 95 per cent of the assets of which were farming assets, and

- (iii) which carried on the business of farming in Ontario through the employment of a shareholder or a member of his family actually engaged in the operation of the farm;
- (e) "farming assets" of a family farm corporation means,
- (i) cash, trade accounts receivable, supplies and inventory of commodities or things produced, raised or grown through farming,
  - (ii) land, buildings, equipment, machinery, and live stock that are used chiefly in the operation of the farm by the corporation,
  - (iii) any right or licence granted or issued under any Act of the Legislature that permits or regulates the production or sale of any commodity or thing produced, raised or grown through farming,
  - (iv) the building in which a shareholder or member or members of his family reside who are engaged in the operation of the farm if that building is on land that is used or is contiguous to land used by that shareholder or member or members of his family in the operation of the farm,
  - (v) shares in another family farm corporation;
- (f) "jurisdiction" means a province or territory of Canada or a state outside Canada having sovereign power;
- (g) "member of his family" means, with respect to an individual referred to in clause *d*,
- (i) his spouse,
  - (ii) his child,
  - (iii) his father, mother, brother or sister or any lawful descendant of such brother or sister,
  - (iv) the brother or sister of his father or mother or any lawful descendant of any such brother or sister,

(v) the father, mother or any brother or sister of his spouse or any lawful descendant of any such brother or sister,

(vi) his son-in-law or daughter-in-law,

R.S.O. 1970,  
c. 64

(vii) a person adopted by him under *The Child Welfare Act* or the spouse or any lawful descendant of such person, or

(viii) his grandfather or grandmother;

(h) "permanent establishment" has the meaning given to that expression by section 7;

(i) "timber royalty" includes any consideration for a right under or pursuant to which a right to cut or take timber from a timber limit in Canada is obtained or derived, to the extent that such consideration is dependent upon, and computed by reference to, the amount of timber cut or taken.

Idem  
R.S.C. 1952,  
c. 148

(2) In the application of the sections of the *Income Tax Act* (Canada) that by this Act are made applicable for the purposes of this Act,

(a) "capital cost" means the cost of property as determined for the purposes of this Act;

(b) "undepreciated capital cost" means the undepreciated capital cost of depreciable property as determined for the purposes of this Act;

(c) the references therein to,

(i) returns required to be filed under section 150 of that Act shall be deemed to be references to the returns required to be filed under section 145 of this Act, and

(ii) assessments to be made under section 152 of that Act shall be deemed to be references to assessments to be made under section 150 of this Act;

(d) where a section of that Act has been made applicable for the purposes of this Act, and reference is made in that section to another provision (herein-

after in this clause referred to as the "other provision") of that Act which,

- (i) does not apply for the purposes of this Act,
- (ii) does not apply for the purposes of this Act because a provision of this Act is enacted to apply in lieu thereof, or
- (iii) in respect of which the application for the purposes of this Act differs,

the following rules apply in the application of the section for the purposes of this Act,

- (iv) where subclause i applies, the section (except sections 20, 56, 60, paragraph *f* of subsection 1 of section 95 and section 138 of that Act) shall be read as if the reference to the other provision were deleted,
- (v) where subclause ii applies, the reference to the other provision shall be deemed to be a reference to the provision of this Act that applies in lieu thereof, and
- (vi) where subclause iii applies, the reference to the other provision shall be deemed to be a reference to the other provision as it applies for the purposes of this Act.

(3) Notwithstanding subsection 1, any regulation made pursuant to any provision of the *Income Tax Act* (Canada) that is by this Act made applicable for the purposes of this Act shall apply with necessary modifications for the purposes of this Act unless otherwise provided by this Act or by the regulations.

Application  
of  
regulations  
under  
R.S.C. 1952,  
c. 148

(4) Any election or designation by a corporation which has been properly made for the purposes of the *Income Tax Act* (Canada), pursuant to any provision of that Act that is by this Act made applicable for the purposes of this Act, shall be deemed to have been properly made for the purposes of this Act, provided that,

Elections  
R.S.C. 1952,  
c. 148

- (a) where an amount elected would be different from the amount determined in accordance with this Act, the amount determined in accordance with this Act shall apply; and

- (b) the provisions in that Act imposing penalties for late filing of such elections are not applicable for the purposes of this Act.

Registered  
pension  
funds

(5) Any registered pension fund or plan that has been accepted for registration by the Minister of National Revenue for Canada shall be deemed to have been accepted for registration by the Minister of Revenue.

R.S.C. 1952,  
c. 148 applies  
as amended  
from time  
to time

(6) The sections of the *Income Tax Act* (Canada) by this Act made applicable for the purposes of this Act shall, unless otherwise provided in this Act, be deemed to be applicable as amended or re-enacted from time to time, and such amendments or re-enactments shall apply for the purposes of this Act in the same manner as they apply for the purposes of the *Income Tax Act* (Canada).

s. 2 (2) (c),  
re-enacted

- 2.—(1) Clause *c* of subsection 2 of section 2 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 42, section 1, is repealed and the following substituted therefor:

- (c) disposed of taxable Canadian property within the meaning given to that expression by subsection 1 of section 248 of the *Income Tax Act* (Canada) if the reference in that definition to section 2 of that Act were a reference to this section; or

R.S.C. 1952,  
c. 148

- (d) carried on business in Ontario,

s. 2 (3) (c),  
re-enacted

- (2) Clause *c* of subsection 3 of the said section 2, as amended by the Statutes of Ontario, 1973, chapter 42, section 1, is repealed and the following substituted therefor:

- (c) disposed of taxable Canadian property within the meaning given to that expression by subsection 1 of section 248 of the *Income Tax Act* (Canada) if the reference in that definition to section 2 of that Act were a reference to this section; or

- (d) carried on business in Ontario,

ss. 4, 5,  
repealed

3. Sections 4 and 5 of the said Act are repealed.

s. 6 (1),  
amended

4. Subsection 1 of section 6 of the said Act is amended by striking out "stock, mileage" in the third line and in the fifth line.



5. Section 11 of the said Act is repealed. s. 11,  
repealed
6. Section 12 of the said Act is repealed and the following substituted therefor: s. 12,  
re-enacted

12.—(1) Except as hereinafter provided, section 3 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said section applies to corporations. Basic  
rules,  
R.S.C. 1952,  
c. 148, s. 3,  
applicable

(2) In the application of the said section 3 for the purposes of this Act, the reference in paragraph *c* thereof to "sub-division e" shall be deemed to be a reference to Subdivision D of Part II of this Act. Interpre-  
tation

7. Section 13 of the said Act is repealed and the following substituted therefor: s. 13,  
re-enacted

13. Except as hereinafter provided, section 4 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said section applies to corporations. Income or  
loss from  
a source or  
from sources  
in a place  
R.S.C. 1952,  
c. 148

8. Part II of the said Act, exclusive of sections 8 to 13*a*, as amended by the Statutes of Ontario, 1973, chapter 42, sections 3 to 9, 1973, chapter 157, sections 2 to 11, 13 to 15 and 17 to 31, 1974, chapter 75, sections 3 to 6 and 8, 1975, chapter 17, sections 4 to 56 and 58 to 63, 1976, chapter 32, sections 2 to 16, 1976, chapter 63, section 1, 1976, chapter 80, section 1 and 1977, chapter 16, sections 1 and 2, is repealed and the following substituted therefor: Pt. II,  
(ss. 14-49,  
re-enacted),  
(ss. 50-122,  
repealed)

#### SUBDIVISION A—INCOME OR LOSS FROM A BUSINESS OR PROPERTY

14.—(1) Except as hereinafter provided, the income or loss of a corporation for a taxation year from a business or property shall for the purposes of this Act be determined in accordance with subdivisions a and b of Division B of Part I of the *Income Tax Act* (Canada) and the said subdivisions a and b are applicable to this Act in so far as the said subdivisions apply to corporations. Application  
of  
R.S.C. 1952,  
c. 148

(2) In the application of section 10 of the *Income Tax Act* (Canada) for the purposes of this Act the amount determined for the purposes of the *Income Tax Act* (Canada) as the value of property described in an inventory is applicable for the purposes of this Act, except that, Inventory of  
land

- (a) where land is included in an inventory of a corporation and the corporation has, in calculating its income for the taxation year or any previous taxation year, deducted an amount referred to in clause *c* of subsection 7 in respect of such land, the amount

so deducted shall not be included in determining the value of the inventory for the purposes of subsection 1; and

- (b) the Minister may determine the value of the property described in an inventory for the purposes of assessment under this Act if he is of the opinion that the values have been incorrectly determined by the corporation.

Payment or  
refund of a  
fee under  
Ontario Beef  
Calf Income  
Stabilization  
Program to be  
included in  
income

(3) In addition to any other amount required by virtue of subsection 1 to be included in computing the income of a corporation for a taxation year as income from a business or property, there shall be included any amount received by the corporation as a stabilization payment or refund of a fee under the Ontario Beef Calf Income Stabilization Program.

Disposition of  
depreciable  
property:

(4) In the application of section 13 of the *Income Tax Act* (Canada) for the purposes of this Act, the following rules apply,

Undepre-  
ciated  
capital cost

- (a) subsections 7.1 and 10 of the said section 13 and subparagraph vi of paragraph f of subsection 21 of the said section 13 are not applicable in determining the capital cost or the undepreciated capital cost of depreciable property of a prescribed class for the purposes of this Act and the regulations;

Reduction of  
capital cost by  
amount of  
government  
assistance

- (b) where a corporation has received or is entitled to receive a grant, subsidy, forgivable loan, investment allowance or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, other than an amount,

- (i) authorized to be paid under an *Appropriation Act* (Canada) and on terms and conditions approved by the Treasury Board of the Government of Canada in respect of scientific research expenditures incurred for the purpose of advancing or sustaining the technological capability of Canadian manufacturing or other industry,

- (ii) authorized to be paid under the *Industrial Research and Development Incentives Act* (Canada) or the *Area Development Incentives Act* (Canada) and approved by the Minister, or



- (iii) deducted as an allowance under section 65 of the *Income Tax Act* (Canada) or section 19 of this Act, R.S.C. 1952, c. 148

the capital cost of the property to the corporation shall be deemed to be the amount by which the aggregate of,

- (iv) the capital cost thereof to the corporation, otherwise determined, and
- (v) such part, if any, of the assistance as has been repaid by the corporation pursuant to an obligation to repay all or part of that assistance,

exceeds,

- (vi) the amount of assistance.

(5) In the application of section 17 of the *Income Tax Act* (Canada) for the purposes of this Act, subsection 2 thereof does not apply in determining whether an amount shall be included in the income of a corporation in accordance with subsection 1 thereof. Loan to non-resident person

(6) Where an amount in respect of,

- (a) a management or administration fee or charge;
- (b) a rent, royalty or a similar payment; or

- (c) a right in or to the use of motion picture film or films or video tapes for use in connection with television that have been or are to be used or reproduced in Canada,

Management fee, rent and similar payment to non-resident to be included in income

is paid or payable by a corporation to a non-resident person with whom it was not dealing at arm's length, the corporation shall include 5/12ths of such amount in computing its income from a business or property for the taxation year in which the amount was subjected to tax under paragraph *a*, *d* or *e* of subsection 1 of section 212 of the *Income Tax Act* (Canada) or subsection 5 of that section, except that clause *b* does not apply where the non-resident person to whom the amount is paid or payable is a corporation liable to the taxes imposed under this Act by virtue of clause *b* of subsection 2 or clause *b* of subsection 3 of section 2.

Deductions  
allowed  
R.S.C. 1952,  
c. 148

(7) Subsection 2 of section 18 of the *Income Tax Act* (Canada) and paragraphs *a* and *v.1* of subsection 1 of section 20 of that Act are not applicable in computing the income of a corporation for a taxation year from a business or property for the purposes of this Act, and in lieu thereof there may be deducted such of the following amounts as are applicable:

Capital cost  
of property

(a) such part of the capital cost to the corporation of property, or such amount in respect of the capital cost to the corporation of property, as is allowed by regulation;

Fee under  
Ontario Beef  
Calf Income  
Stabilization  
Program

(b) an amount paid by the corporation in the taxation year as a fee under the Ontario Beef Calf Income Stabilization Program;

Certain  
interest  
and property  
taxes on land

(c) notwithstanding paragraph *c* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as made applicable to this Act but subject to subsection 3 of section 18 of the said Act, any amount paid or payable by the corporation in the year and after 1971 as, on account or in lieu of payment of, or in satisfaction of,

(i) interest on borrowed money used to acquire land or on an amount payable by the corporation for land, or

(ii) property taxes, not including income or profits taxes or taxes computed by reference to the transfer of property, paid or payable by the corporation in respect of land to a province or a Canadian municipality,

if, having regard to all the circumstances, including the cost to the corporation of the land in relation to its gross revenue, if any, therefrom for that or any previous year, the land can reasonably be considered to have been, in that year,

(iii) included in the inventory of a business carried on by the corporation,

(iv) otherwise used in, or held in the course of, carrying on a business carried on by the corporation, or

(v) held primarily for the purpose of gaining or producing income of the corporation from the land for that year,

and if none of subclauses iii, iv and v is applicable, then the deduction under this clause is permitted only to the extent that the corporation's gross revenue, if any, from the land for that year exceeds the aggregate of all other amounts deducted in computing its income from the land for that year;

- (d) such amount as is allowed to the corporation by regulation in respect of oil or gas resources in Canada, as defined by regulation. Resource allowance

(8) In the application of paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) for the purposes of this Act, Deductions not allowed R.S.C. 1952. c. 148

- (a) notwithstanding subsection 8 of section 20 of the *Income Tax Act* (Canada), the said paragraph *n* does not apply to allow a deduction in computing the income of a corporation for a taxation year from a business in respect of a property sold in the course of the business if the corporation at the end of the taxation year or at any time in the immediately following taxation year, No deduction in respect of property in certain circumstances

(i) was exempt from tax under any provision of this Part, or

(ii) ceased to have a permanent establishment in Canada; and

- (b) the said paragraph *n* does not apply to allow a deduction in computing the income of a corporation for a taxation year from a business where the corporation has, in the taxation year sold, pledged, assigned or in any way disposed of any security received by it as payment in whole or in part for the sale of property in respect of which the corporation has, in that or a previous taxation year, been allowed a deduction under that paragraph for the purposes of this Act. No deduction in respect of sale of property if security disposed of

(9) In the application of paragraph *s* of subsection 1 of section 20 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference therein to "Minister" shall be deemed to be a reference to the Minister of National Revenue for Canada. Interpretation

(10) Section 27 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act and in lieu thereof the following provisions shall apply: Crown corporations

Prescription

1. Where a corporation referred to in paragraph *d* of subsection 1 of section 149 of the *Income Tax Act* (Canada) is otherwise exempt under section 49 of this Act and subsection 1 of section 135 of this Act, such exemptions do not apply if the corporation is prescribed by regulation.

Transfers of  
land for  
disposition

2. Where land has been transferred to a corporation prescribed in the regulations for the purpose of disposition, the acquisition of the property by the corporation and any disposition thereof shall be deemed not to have been in the course of the business carried on by the corporation.

Loss on  
disposition  
of shares  
of a  
Venture  
Investment  
Corporation  
1977, c. 10

- (11) Where in a taxation year a corporation has incurred a loss, other than a capital loss, from the disposition of property that is shares of the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*, such loss shall not be allowed in computing the income or loss of the corporation from a business or property for the taxation year.

#### SUBDIVISION B—TAXABLE CAPITAL GAINS AND ALLOWABLE CAPITAL LOSSES

Application  
of  
R.S.C. 1952,  
c. 148

- 15.—(1) Except as hereinafter provided, the taxable capital gains and allowable capital losses of a corporation for a taxation year from the disposition of any property shall for the purposes of this Act be determined in accordance with subdivision c of Division B of Part I of the *Income Tax Act* (Canada) and the said subdivision c is applicable to this Act in so far as the said subdivision applies to corporations.

Idem

- (2) Paragraph *c* of subsection 1 of section 48 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act.

Idem

- (3) In the application of paragraph *a* of subsection 2 of section 40 of the *Income Tax Act* (Canada) for the purposes of this Act, subparagraph *i* thereof shall be read as though the words "was not resident" were deleted and the words "ceased to have a permanent establishment" were inserted in lieu thereof.

Adjustments  
to cost base

- (4) In computing the adjusted cost base to a corporation of property in accordance with the provisions made applicable by subsection 1, the following rules apply for the purposes of this Act,

- (a) where the property is a foreign resource property, there shall be added to the cost of the property to the corporation that part of the foreign exploration and development expenses incurred by the corporation after 1971 with respect to the property that is not allowed as a deduction from income for purposes of this Act;
- (b) clause B of subparagraph ii of paragraph c of subsection 2 of section 53 of the *Income Tax Act* <sup>R.S.C. 1952, c. 148</sup> (Canada) shall apply as if the words "foreign exploration and development expenses" were deleted;
- (c) subparagraph i of paragraph k of subsection 2 of section 53 of the *Income Tax Act* (Canada) shall apply,
  - (i) as if the words "deduction from tax" were deleted, and
  - (ii) as if the reference in clause B thereof to section 65 were a reference to the said section 65 and to section 19 of this Act;
- (d) where the property is a foreign resource property, there shall be deducted in respect of such property any amount that has become receivable by the corporation at a particular time in a taxation year as the result of a transaction that occurred after the 6th day of May, 1974, in which the consideration given by the corporation for the amount was property or services the original cost of which may reasonably be regarded as having been foreign exploration and development expenses.

(5) Notwithstanding the rules contained in subsection 1 of section 40 of the *Income Tax Act* (Canada) as made applicable by subsection 1 of this section, a corporation's capital loss from the disposition of property that is shares in the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977*, is the amount <sup>Capital loss on disposition of shares of a Venture Investment Corporation 1977, c. 10</sup> by which,

- (a) the capital loss in respect of such disposition, otherwise determined,

exceeds,



- (b) the amount in respect of such shares that was deducted under section 31 minus the amount included in income under subsection 4 of section 16.

Interpre-  
tation

(6) In this Subdivision,

- (a) "foreign exploration and development expenses" incurred by a corporation means,

- (i) any drilling or exploration expense, including any general geological or geophysical expense, incurred by it on or in respect of exploring or drilling for petroleum or natural gas outside Canada,
- (ii) any prospecting, exploration or development expense incurred by it in searching for minerals outside Canada,
- (iii) any annual payment made by the corporation for the preservation of a foreign resource property, and
- (iv) its share of the foreign exploration and development expenses incurred by any association, partnership or syndicate in a fiscal period thereof, if at the end of that fiscal period it was a member or partner thereof;

- (b) "foreign resource property" of a corporation means any property that would be a Canadian resource property of the corporation within the meaning of paragraph c of subsection 15 of section 66 of the *Income Tax Act* (Canada) if that paragraph were read as if the references therein to "in Canada" were references to "outside Canada" and were read without reference to the words "after 1971".

R.S.C. 1952,  
c. 148

#### SUBDIVISION C—OTHER SOURCES OF INCOME

R.S.C. 1952,  
c. 148  
Part I, B and  
applicable

16. (1) Except as hereinafter provided, subdivision d of Division B of Part I of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said subdivision applies to corporations.

(2) In the application of subsection 1 of section 56 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference in subparagraph i of paragraph 1 thereof to "this Act" shall be deemed to be a reference to both the *Income Tax Act* (Canada) and this Act.

Interpretation  
R.S.C. 1952,  
c. 148

(3) Section 59 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act, and in lieu thereof the following provisions apply,

Disposition  
of resource  
property

(a) where a corporation disposes of,

Amount  
receivable as  
consideration  
for disposition  
of resource  
property

- (i) a Canadian resource property, or
- (ii) any right, licence or privilege described in subsection 12 of section 58 of *The Corporations Tax Act*, as it read in its application to taxation years prior to 1972, that was acquired by the corporation,

(A) before 1972 in the case of,

- 1. a corporation that is a principal-business corporation within the meaning given to that expression by subsection 14 of section 20 or that was, at the time it acquired the property, such a principal-business corporation, or
- 2. an association, partnership or syndicate described in subsection 4 of section 83A of the *Income Tax Act* (Canada) as it read in its application to the 1971 taxation year, and

(B) after April 10, 1962 and before 1972, in any other case,

under an agreement or other contract or arrangement described therein,

the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the taxation year, to the extent that the proceeds become receivable in that year;

- (b) there shall be included in computing a corporation's income for a taxation year any amount in respect of,

Amount  
deducted  
under s. 18  
in preceding  
year



(i) a Canadian resource property, or

(ii) any property referred to in subclause ii of clause *a* or in clause *c*,

that has been deducted under section 18 in computing the corporation's income for the immediately preceding taxation year;

Disposition of  
resource  
property  
acquired  
before 1972

(c) where a corporation has made a disposition of property owned, or deemed to have been owned, by it on the 31st day of December, 1971 and thereafter without interruption until the date of disposition that is property described in any of subparagraphs i to vi of paragraph *c* of subsection 15 of section 66 of the *Income Tax Act* (Canada) and is not property described in subclause ii of clause *a*, the following rules apply,

R.S.C. 1952,  
c. 148

(i) the relevant percentage of the corporation's proceeds of disposition therefrom shall be included in computing the corporation's income for the taxation year to the extent that the proceeds become receivable, and

(ii) where the corporation and the person who acquired the property were not dealing with each other at arm's length, for the purposes of this subsection and section 20,

(A) the cost to that person of the property shall be deemed to be the amount included in the corporation's income by virtue of subclause i in respect of the disposition by the corporation of the property, and

(B) when that person subsequently disposes of the property or any right or interest therein, that person shall be deemed to have owned the property on the 31st day of December, 1971 and thereafter without interruption until the disposition thereof;

Interpre-  
tation

(d) in this subsection,

(i) "relevant percentage" has the meaning given to that expression by subsection 4 of section 59 of the *Income Tax Act* (Canada),

- (ii) "disposition" and "proceeds of disposition" have the meaning given to those expressions by section 54 of the *Income Tax Act* (Canada). <sup>R.S.C. 1952, c. 148</sup>

(4) In addition to any other amount that is required to be included in computing the income of a corporation for a taxation year by virtue of the provisions of subdivision d of Division B of Part I of the *Income Tax Act* (Canada) that are made applicable by subsection 1 of this section, there shall be included the following amounts:

- (a) where, in a taxation year, shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977*, c. 10 have been disposed of by the corporation, an amount equal to the aggregate of,

(i) 250 per cent of the lesser of,

(A) the cost to the corporation of the said shares disposed of, and

(B) the proceeds of disposition of such shares, and

(ii) that proportion of the amount determined under subclause i that,

(A) the taxable income of the corporation for the year, determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

(B) the amount by which the taxable income of the corporation for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A; and

- (b) where at a particular time in the taxation year the registration of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* (hereinafter in this subsection referred to as the V.I.C.) has been revoked pursuant to section 6 of that Act and at the particular time

the corporation owned shares of the capital stock of the V.I.C., an amount equal to the aggregate of,

- (i) 250 per cent of the cost to the corporation of the said shares, and
- (ii) that proportion of the amount determined under subclause i that,
  - (A) the taxable income of the corporation for the year, determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (B) the amount by which the taxable income of the corporation for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A.

Idem

1977, c. 10

(5) Where in a taxation year a corporation that owns shares in the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has ceased to have a permanent establishment in Ontario within the meaning of section 7, the corporation shall for the purposes of subsections 4 and 6 of this section be deemed to have disposed of the shares in that year for proceeds equal to the cost to the corporation of the shares.

Idem

(6) Where in a taxation year a corporation that owns shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has disposed of or is deemed to have disposed of any of those shares, or the registration of the corporation that is registered under *The Venture Investment Corporations Registration Act, 1977* has been revoked pursuant to section 6 of that Act, and all of the taxable income of the corporation for the year, determined without reference to this subsection, is deemed for the purposes of section 34 to have been earned in jurisdictions other than Ontario, the following rules apply,

- (a) the amount of the corporation's taxable income for the year shall be determined as if it has no income other than the amount determined under clause a or b of subsection 4, as the case may be;

- (b) the only amounts deductible under this Act by the corporation in determining its taxable income for the year shall be its undeducted eligible expenditures, within the meaning of section 31, as at the end of the immediately preceding taxation year; and
- (c) for the purposes of section 34, no portion of the corporation's taxable income as determined under clauses *a* and *b* shall be deemed to have been earned in jurisdictions other than Ontario.

SUBDIVISION D—DEDUCTIONS IN  
COMPUTING INCOME

17.—(1) Except as hereinafter provided, section 60 of the *Income Tax Act* (Canada), is applicable for the purposes of this Act in so far as the said section applies to corporations. Application of R.S.C. 1952, c. 148, s. 60

(2) In the application of subparagraph i of paragraph o of the said section 60 for the purposes of this Act, the reference therein to "this Act" shall be deemed to be a reference to both the *Income Tax Act* (Canada) and this Act. Interpretation R.S.C. 1952, c. 148

(3) In addition to the deductions permitted by virtue of subsection 1, there may be deducted in computing the income of a corporation for a taxation year all corporation taxes payable in the taxation year by the corporation. Corporation taxes deductible

(4) In this section,

Interpretation

(a) "corporation income tax" means a tax imposed by the Parliament of Canada or by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax of general application on the profits of corporations;

(b) "corporation tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax on corporations, but does not include,

(i) a corporation income tax, or

(ii) any other tax declared by the regulations not to be a corporation tax.

18.—(1) In computing a corporation's income for a taxation year, in this subsection referred to as the "current year", where,

Reserve in respect of consideration for disposition of resource property not due until subsequent year

- (a) by virtue of clause *a* or *c* of subsection 3 of section 16, subsection 11 of section 20, or clause *a* of subsection 12 of section 20, an amount has been included in computing the corporation's income for the current year or a previous taxation year; or
- (b) an amount referred to in paragraph *b* of subsection 1 of section 64 of the *Income Tax Act* (Canada) has been included in computing, for the purposes of this Act, the corporation's income for that previous taxation year,

in respect of the disposition of any property and that amount or a part thereof is not due until a day that is after the end of the current year, there may be deducted as a reserve in respect of that amount the part thereof that is not due until a day that is after the end of the current year, not exceeding, where the property was disposed of in a taxation year preceding the current year, any amount deducted under this subsection in respect of the disposition of the property in computing the corporation's income for the taxation year immediately preceding the current year, and for greater certainty, no deduction may be made in respect of that amount under paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of section 14 of this Act.

R.S.C. 1952,  
c. 148

Application of  
subs. 1

(2) Subsection 1 does not apply to allow a deduction in computing the income of a corporation for a taxation year if the corporation, at any time in the taxation year or in the immediately following taxation year,

- (a) ceases to be a resident of Canada;
- (b) becomes exempt from tax under any provision of this Part; or
- (c) if a non-resident, ceases to have a permanent establishment in Canada.

Application  
of section

(3) For the purpose of clause *d* of subsection 2 of section 1, this section applies in lieu of section 64 of the *Income Tax Act* (Canada).

Allowance for  
oil or gas well,  
mine or  
timber limit

19.—(1) There may be deducted in computing a corporation's income for a taxation year such amount as an allowance, if any, in respect of,

- (a) an oil or gas well, mineral resource or timber limit;  
or



- (b) the processing, to the prime metal stage or its equivalent, of ore from a mineral resource,

as is allowed by regulation.

(2) For greater certainty it is hereby declared that, in the Regulations case of a regulation made under subsection 1,

- (a) there may be prescribed by such regulation an amount in respect of any or all,

(i) oil or gas wells or mineral resources in which the corporation has an interest, or

(ii) processing operations described in clause b of subsection 1 that are carried on by the corporation; and

- (b) notwithstanding any other provision contained in this Act, the Lieutenant Governor in Council may prescribe the formula by which the amount that may be allowed to the corporation by such regulation shall be determined.

(3) Where a deduction is allowed under subsection 1 in respect of a coal mine operated by a lessee, the lessor and lessee may agree as to what portion of the allowance each may deduct and, in the event that they cannot agree, the Minister may fix the portions. Lessee's share of allowance

(4) For the purpose of clause d of subsection 2 of section 1, this section applies in lieu of section 65 of the *Income Tax Act* (Canada). Application R.S.C. 1952, c. 148

20.—(1) A principal-business corporation may deduct, in computing its income for a taxation year, the lesser of, Exploration and development expenses of principal-business corporations

- (a) the aggregate of such of its Canadian exploration and development expenses as were incurred by it before the end of the taxation year, to the extent that they were not deductible in computing income for a previous taxation year; and

- (b) of that aggregate, an amount equal to its income for the taxation year if no deduction were allowed under this section or section 19, minus the deductions allowed for the taxation year by subsection 5 and by sections 112 and 113 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

Expenses of  
other  
corporations

(2) A corporation other than a principal-business corporation may deduct, in computing its income for a taxation year, the lesser of,

(a) the aggregate of such of its Canadian exploration and development expenses as were incurred by it before the end of the taxation year to the extent they were not deductible in computing its income for a previous taxation year; and

(b) of that aggregate, the amount, if any, by which the greater of,

(i) such amount as the corporation may claim, not exceeding 20 per cent of the aggregate determined under clause *a*, and

(ii) the aggregate of,

(A) such part of its income for the taxation year as may reasonably be regarded as attributable to the production of petroleum or natural gas from wells in Canada or to the production of minerals from mines in Canada,

(B) its income for the taxation year from royalties in respect of an oil or gas well in Canada or a mine in Canada, and

(C) the aggregate of amounts each of which is an amount, in respect of a Canadian resource property or a property referred to in subclause ii of clause *a* of subsection 3 of section 16 or clause *c* of subsection 3 of section 16 that has been disposed of by it, equal to the amount, if any, by which,

1. the amount included in computing its income for the taxation year by virtue of subsection 3 of section 16 in respect of the disposition of the property,

exceeds,

2. the amount deducted under section 18 in respect of the property in computing its income for the taxation year,



if no deductions were allowed under section 19,

exceeds,

- (iii) the amount of any deduction allowed by the *Corporations Tax Application Rules, 1972* in respect of this subclause in computing its income for the taxation year.

(3) A corporation other than a principal-business corporation may deduct, in computing its income for a taxation year, the lesser of,

- (a) the aggregate of such of its Ontario exploration and development expenses as were incurred by it before the end of the taxation year to the extent that they were not deducted in computing its income for a previous year, minus that portion of the deduction allowed, if any, in computing its income for the taxation year under subsection 2 which is reasonably attributable to Ontario exploration and development expenses; and

- (b) that portion of the amount determined under clause *a* equal to the amount of its income for the taxation year if no deductions were allowed under this section, minus,

- (i) that portion of the deduction allowed for the taxation year under subsection 2 which is reasonably attributable to Ontario exploration and development expenses, and

- (ii) the deduction allowed for the taxation year under sections 112 and 113 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

R.S.C. 1952,  
c. 148

(4) Subsection 3 of section 16, section 18 and subsections 2 and 3 do not apply in computing the income for a taxation year under this Part of a corporation, other than a principal-business corporation, whose business includes trading or dealing in rights, licences or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons. Dealers

Canadian  
exploration  
and  
development  
expenses  
deductible  
by successor  
corporation  
and second  
successor  
corporation  
R.S.C. 1952,  
c. 148

(5) There may be deducted in computing the income for a taxation year of a corporation that is a successor corporation or a second successor corporation, as the case may be, within the meaning of subsection 6 or 7 of section 66 of the *Income Tax Act* (Canada), the amount, if any, that would be deductible by it under either of those subsections on the basis that the reference in paragraph *b* of each of the said subsections,

- (a) to "this section" is deemed to be a reference to this section of this Act;
- (b) to section 65 is deemed to be a reference to section 19 of this Act;
- (c) to subsection 2 of section 66.1 does not apply; and
- (d) to the *Income Tax Application Rules, 1971*, is deemed to be a reference to the *Corporations Tax Application Rules, 1972*.

Joint  
exploration  
corporation:  
renunciation  
of its  
exploration  
and develop-  
ment expenses  
in favour  
of shareholder  
corporation

(6) The portion, if any, of its Canadian exploration and development expenses that a joint exploration corporation may renounce in favour of a shareholder corporation shall be determined in accordance with the rules provided in subsection 10 of section 66 of the *Income Tax Act* (Canada) and paragraphs *a* and *b* of the said subsection are applicable, except that for the purposes of this subsection,

- (a) the references in the said subsection to subsections 1 and 3 of that section shall be deemed to be references to subsections 1 and 2 of this section; and
- (b) the references in paragraph *b* of the said subsection to paragraph *a* of subsection 1 of that section shall be deemed to be a reference to clause *a* of subsection 1 of this section.

Control  
change

(7) Subsection 11 of section 66 of the *Income Tax Act* (Canada) is applicable for the purposes of this section, except that, in its application for the purposes of this section, the said subsection shall be read without the reference therein to "cumulative Canadian exploration expense, cumulative Canadian development expense and foreign exploration and development expenses".

Computation  
of explora-  
tion and  
development  
expenses

(8) In computing the Canadian exploration and development expenses and Ontario exploration and development expenses of a corporation,

- (a) there shall be deducted the aggregate of all amounts paid to it after 1971 and before the 25th day of May, 1976,

- (i) under the *Northern Mineral Exploration Assistance Regulations* (Canada) made under an *Appropriation Act* (Canada) that provides for payments in respect of the Northern Mineral Grants Program,
- (ii) pursuant to any agreement entered into between the corporation and Her Majesty in right of Canada under the Northern Mineral Grants Program or the Development Program of the Department of Indian Affairs and Northern Development, or
- (iii) under the *Mineral Exploration Assistance Program* (Ontario),

to the extent that the amounts have been expended by the corporation as or on account of Canadian exploration and development expenses or Ontario exploration and development expenses, as the case may be; and

- (b) there shall be included any amount, except an amount in respect of interest, paid by the corporation, after 1971 in respect of amounts paid to it before the 25th day of May, 1976, under the Regulations referred to in subclause i of clause a to Her Majesty in right of Canada and under the *Mineral Exploration Assistance Program* (Ontario) to Her Majesty in right of Ontario.

(9) Except as otherwise provided in this section, where a corporation has incurred an outlay or expense in respect of which a deduction from income is authorized under more than one provision of this section, the corporation is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction. Limitations

(10) Notwithstanding subsection 9, a corporation that is entitled to a deduction under both subsections 2 and 3 may, in addition to the deduction under subsection 2, deduct such additional amount as it may claim in respect of Ontario exploration and development expenses under subsection 3. Idem

(11) Except as expressly otherwise provided in this Act, where, as a result of a transaction occurring after the 6th day of May, 1974, an amount has become receivable by a corporation at a particular time in a taxation year and the consideration given by the corporation therefor was property (other than a property referred to in subsection 3 of section Limitations of Canadian exploration and development expenses

16 or a share or interest therein or a right thereto) or services, the original cost of which to the corporation may reasonably be regarded as having been primarily Canadian exploration and development expenses of the corporation or would have been so regarded if they have been incurred by the corporation after 1971, there shall be included in its income for that taxation year the amount that became receivable by it at that time.

Unitized oil  
or gas field  
in Canada

(12) Where, pursuant to an agreement between a corporation and another person to unitize an oil or gas field in Canada, an amount has become receivable by the corporation at a particular time after the 6th day of May, 1974 from that other person in respect of Canadian exploration and development expenses incurred by the corporation, or expenses that would have been Canadian exploration and development expenses if they had been incurred by it after 1971, in respect of that field or any part thereof, the following rules apply,

- (a) there shall, at that time, be included in computing the corporation's income for the taxation year the amount that became receivable by it; and
- (b) there shall, at that time, be included by the other person, where that person is a corporation, in its drilling or exploration expense the amount that became payable by that person.

Amount  
deemed  
deductible  
under this  
Subdivision

(13) For the purposes of section 12, any amount deductible under the *Corporations Tax Application Rules, 1972* in respect of this subsection shall be deemed to be deductible under this Subdivision.

Interpre-  
tation  
R.S.C. 1952,  
c. 148

(14) In this section and in the provisions of the *Income Tax Act* (Canada) made applicable for the purposes of this section,

- (a) "agreed portion" has the meaning given to that expression by paragraph *a* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (b) "Canadian exploration and development expenses" incurred by a corporation means,
  - (i) any drilling or exploration expense, including any general geological or geophysical expense, incurred by the corporation after 1971 on or in respect of exploring or drilling for petroleum or natural gas in Canada,

- (ii) any prospecting, exploration or development expense incurred by it after 1971 in searching for minerals in Canada,
- (iii) notwithstanding paragraph *m* of subsection 1 of section 18 of the *Income Tax Act* (Canada),<sup>R.S.C. 1952, c. 148</sup> as that section applies to this Act by virtue of section 14 of this Act, the cost to the corporation of a Canadian resource property, but for greater certainty not including any payment made to any of the persons referred to in any of the subparagraphs i to iii of the said paragraph *m* for the preservation of a person's rights in respect of a Canadian resource property or a property that would have been a Canadian resource property if it had been acquired by the corporation after 1971, and not including a payment to which the said paragraph *m* applied by virtue of subparagraph v thereof,
- (iv) the corporation's share of any of the expenses referred to in subclauses i, ii and iii incurred after 1971 by any association, partnership or syndicate in a fiscal period thereof, if at the end of that fiscal period the corporation was a member or partner thereof, and
- (v) any expenses referred to in subclauses i, ii and iii incurred after 1971 pursuant to an agreement with another corporation under which the corporation incurred the expense solely in consideration for shares of the capital stock of the other corporation issued to it by the other corporation or any interest in such shares or right thereto,

but for greater certainty, does not include,

- (vi) any consideration given by the corporation for any share or any interest therein or right thereto, except as provided by subclause v, or
- (vii) any expense described in subclause v incurred by another person to the extent that the expense was, by virtue of subclause v, a Canadian exploration and development expense of that other person,



but no amount of assistance or benefit that a corporation has received or is entitled to receive after the 25th day of May, 1976 from a government, municipality or other public authority in respect of or related to its Canadian exploration and development expenses, whether as a grant, subsidy, forgivable loan, deduction from royalty or tax, investment allowance or any other form of assistance or benefit, shall reduce the amount of any of the expenses described in any of subclauses i to v;

- (c) "drilling or exploration expense" incurred on or in respect of exploring or drilling for petroleum or natural gas has the meaning given to that expression by paragraph *d* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (d) "joint exploration corporation" has the meaning given to that expression by paragraph *g* of subsection 15 of section 66 of the *Income Tax Act* (Canada);
- (e) "Ontario exploration and development expenses" incurred by a corporation means any expenses that would be Canadian exploration and development expenses incurred by the corporation if clause *b* of this subsection were read as if the references therein to,
  - (i) "in Canada" were references to "in Ontario",
  - (ii) "after 1971" were references to "after the 9th day of April, 1974", and
  - (iii) "Canadian" were references to "Ontario";
- (f) "Ontario resource property" of a corporation means any property that would be a Canadian resource property of the corporation within the meaning of paragraph *c* of subsection 15 of section 66 of the *Income Tax Act* (Canada) if that paragraph were read as if the references therein to,
  - (i) "in Canada" were references to "in Ontario", and
  - (ii) "after 1971" were references to "after the 9th day of April, 1974";

(g) "principal-business corporation" has the meaning given to that expression by paragraph *h* of subsection 15 of section 66 of the *Income Tax Act* (Canada); R.S.C. 1952, c. 148

(h) "shareholder corporation" of a joint exploration corporation has the meaning given to that expression by paragraph *i* of subsection 15 of section 66 of the *Income Tax Act* (Canada), except that subparagraph *ii* thereof shall, in its application for the purposes of this section, be read without the reference therein to "a Canadian exploration expense or a Canadian development expense".

(15) For the purposes of clause *d* of subsection 2 of section 1, this section applies in lieu of sections 66, 66.1 and 66.2 of the *Income Tax Act* (Canada). Application

21. Section 66.3 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as that section applies to corporations. Shares taxed as inventory

#### SUBDIVISION E—RULES RELATING TO COMPUTATION OF INCOME

22.—(1) The rules provided in subdivision *f* of Division B of Part I of the *Income Tax Act* (Canada), relating to the computation of income are, in so far as the said rules apply to corporations, applicable in computing income for the purposes of this Act. R.S.C. 1952, c. 148, Part I (B) (f), applicable

(2) In computing income, no deduction shall be made in respect of an outlay or expense in respect of which any amount is otherwise deductible under this Act, except to the extent that the outlay or expense was reasonable in the circumstances. General limitation re expenses

23.—(1) Section 245 of the *Income Tax Act* (Canada) is applicable in computing income for the purposes of this Act, except that, Artificial transactions

(a) paragraph *b* of subsection 2 thereof is not applicable; and

(b) the reference therein to Part I of that Act shall be deemed to be reference to Part II of this Act.



Dividend  
stripping

(2) In computing the income of a corporation for a taxation year there shall be included an amount that is included in computing the income of the corporation under Part XVI of the *Income Tax Act* (Canada) pursuant to section 247 of that Act.

R.S.C. 1952,  
c. 148

#### SUBDIVISION F—AMOUNTS NOT INCLUDED IN COMPUTING INCOME

Amounts not  
included in  
income:

24. There shall not be included in computing the income of a corporation for a taxation year,

federal  
grants  
1965, c. 12  
(Can.)  
R.S.C. 1970,  
cc. 1-10, R-3  
1970-71-72,  
c. 56 (Can.)

(a) an amount paid to a corporation on account of a grant under the *Area Development Incentives Act* (Canada), the *Industrial Research and Development Incentives Act* (Canada), the *Regional Development Incentives Act* (Canada), or the *Employment Support Act* (Canada); and

other  
amounts

(b) an amount determined in accordance with the rules provided in paragraphs *b*, *c*, *l* and *m* of subsection 1 of section 81 of the *Income Tax Act* (Canada).

#### SUBDIVISION G—CORPORATIONS RESIDENT IN CANADA AND THEIR SHAREHOLDERS

R.S.C. 1952,  
c. 148,  
Part I (B) (h),  
applicable

25.—(1) Except as hereinafter provided, the rules provided in subdivision h of Division B of Part I of the *Income Tax Act* (Canada) are applicable for the purposes of this Act.

Amalga-  
mations  
consideration  
for resource  
property  
disposition

(2) In lieu of the rule provided in paragraph *p* of subsection 2 of section 87 of the *Income Tax Act* (Canada) with respect to amalgamations, the following rule is applicable for the purposes of this Act:

For the purpose of computing a deduction from the income of the new corporation for a taxation year under section 18, any amount that has been included in computing the income of a predecessor corporation for its last taxation year or a previous taxation year by virtue of clause *a* or *c* of subsection 3 of section 16, or subsection 11 or 12 of section 20, or by virtue of subsection 15 or 16 of section 58 of *The Corporations Tax Act* as it read in its application to the taxation years prior to 1972, shall be deemed to have been included in computing the income of the new corporation for a previous taxation year by virtue thereof.

(3) Paragraph *z* of subsection 2 of the said section 87 is not applicable for the purposes of this Act. R.S.C. 1952, c. 148, s. 87 (2) (*z*), not applicable

(4) Paragraph *e.2* of subsection 1 of section 88 of the *Income Tax Act* (Canada) shall, in its application for the purposes of this Act, be read without reference therein to paragraph *z* of subsection 2 of section 87 of the said Act, and as though the reference therein to paragraph *p* of the said subsection 2 were a reference to subsection 2 of this section. R.S.C. 1952, c. 148, s. 88 (1) (*e.2*), applicable

(5) For the purposes of subsection 4 of section 16 and section 31, where a corporation (hereinafter in this section referred to as the "vendor") has transferred shares of the capital stock of a corporation registered under *The Venture Investment Corporations Registration Act, 1977* to another corporation (hereinafter in this section referred to as the "purchaser") pursuant to an amalgamation within the meaning of section 87 of the *Income Tax Act* (Canada) or the winding-up of a Canadian corporation within the meaning of section 88 of that Act, or the vendor and the purchaser have jointly elected under section 85 of that Act in respect of those shares, the following rules apply, Transfer of V.I.C. shares on amalgamation or winding-up 1977, c. 10

(a) the vendor shall be deemed to have disposed of the shares for proceeds of disposition equal to the cost to it of the shares; and

(b) the purchaser shall be deemed to have acquired the shares at a cost equal to the amount determined under clause *a*.

(6) In the application of the said subdivision *h* for the purposes of this Act, the references in section 84.2, paragraphs *g* and *k* of subsection 1 of section 89 and subsection 3 of section 89 of the *Income Tax Act* (Canada), to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada. "Minister" deemed to be Minister of National Revenue

#### SUBDIVISION H—SHAREHOLDERS OF CORPORATIONS NOT RESIDENT IN CANADA

26.—(1) The provisions of subdivision *i* of Division B of Part I of the *Income Tax Act* (Canada) are applicable in computing the income of a corporation for a taxation year for the purposes of this Act. R.S.C. 1952, c. 148, Part I (B) (i), applicable

(2) In the application of the said subdivision *i* for the purposes of this Act, the references therein to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada. Idem

## SUBDIVISION I—PARTNERSHIPS AND THEIR MEMBERS

R.S.C. 1952,  
c. 148,  
Part I (B) (j),  
applicable

27.—(1) Except as hereinafter provided, the rules provided in subdivision j of Division B of Part I of the *Income Tax Act* (Canada) with respect to partnerships and their members, are applicable for the purposes of this Act in so far as the said rules apply to corporations.

Exception

(2) Subsection 1.6 of section 96 of the *Income Tax Act* (Canada) is not applicable for the purposes of this Act.

Members of  
partnerships  
deemed to  
have  
permanent  
establishment  
in Ontario

(3) Where any activity in Ontario of a partnership in a taxation year is such that, if it were a corporation, it would be subject to subsection 2 or 3 of section 2, as the case may be, each corporation that is deemed to be a member of the partnership shall be deemed to be subject to subsection 2 or 3 of section 2, as the case may be, for that taxation year.

## SUBDIVISION J—BENEFICIARIES OF TRUSTS

R.S.C. 1952,  
c. 148,  
Part I (B) (k),  
applicable

28.—(1) In determining for the purposes of this Act the income of a corporation that is a beneficiary of a trust, subdivision k of Division B of Part I of the *Income Tax Act* (Canada) is applicable in so far as the said subdivision applies to corporations that are beneficiaries of trusts, and any amount included in or deducted from the income of a corporation for a taxation year by virtue of that subdivision shall be included or deducted, as the case may be, in computing its income for the taxation year for the purposes of this Act.

Idem

(2) In the application of the said subdivision for the purposes of this Act,

- (a) clause d of subsection 2 of section 1 of this Act does not apply; and
- (b) the references therein to "Minister" shall be deemed to be references to the Minister of National Revenue for Canada.

## DIVISION C—COMPUTATION OF TAXABLE INCOME

R.S.C. 1952,  
c. 148,  
Part I (C),  
applicable

29.—(1) Except as hereinafter in this Division provided, in computing the taxable income of a corporation for a taxation year, Division C of Part I of the *Income Tax Act* (Canada) is applicable for the purposes of this Act in so far as the said Division applies to deductions permitted to corporations.

(2) In the application of paragraphs *a*, *b* and *b.1* of subsection 1 of section 110 of the *Income Tax Act* (Canada) for the purposes of this Act, the reference therein to "receipts" shall be deemed to mean receipts or photostatic reproductions thereof.

Receipts:  
application of  
R.S.C. 1952,  
c. 148,  
s. 110 (1)

(3) For the purposes of this Act, "registered amateur athletic association" and "registered charity" mean respectively an amateur athletic association or a charity that, unless otherwise designated by the Minister, has been registered by the Minister of National Revenue for Canada pursuant to subsection 8 of section 110 of the *Income Tax Act* (Canada) and, unless otherwise designated by the Minister, whose registration has not been revoked.

Interpre-  
tation

(4) In the application, for the purposes of this Act, of subsection 3 of section 111 of the *Income Tax Act* (Canada), paragraph *a* thereof shall be read as if subparagraph ii thereof were deleted.

Losses;  
application of  
R.S.C. 1952,  
c. 148,  
s. 111 (3)

30.—(1) In computing a corporation's taxable income for a taxation year, there may be deducted the aggregate of amounts (the aggregate of which amounts is hereafter in this subsection referred to as "the amount contributed") that are contributions for the purposes of *The Election Finances Reform Act, 1975* and that are contributed in the taxation year, and in any previous taxation year ending after the 12th day of February, 1975 to the extent that such contributions have not already been deducted, by the corporation to registered candidates at an election of a member or members to serve in the Assembly, to registered constituency associations or to registered parties, provided that,

Election  
contributions

1975, c. 12

(a) subject to subsection 3, such deduction shall not exceed the least of,

(i) the amount contributed,

(ii) its taxable income computed without reference to this section, and

(iii) \$4,000; and

(b) payment of each amount that is included in the amount contributed is proven by filing with the Minister receipts that are signed by a recorded agent of the registered candidate, registered constituency association or registered party, as the case may be, and that contain the information prescribed to be shown on such receipts.

Interpre-  
tation

(2) In this section,

- (a) "recorded agent" means a person on record with the Commission on Election Contributions and Expenses as being authorized to accept contributions on behalf of a political party, constituency association or candidate registered under *The Election Finances Reform Act, 1975*;
- (b) "registered candidate", with respect to an election of a member or members to serve in the Assembly, means a person who has been registered as a candidate for such election by the Commission on Election Contributions and Expenses and whose name has not been deleted from the register of candidates maintained by the Commission with respect to such election;
- (c) "registered constituency association" means a registered constituency association within the meaning given to that expression by *The Election Finances Reform Act, 1975*;
- (d) "registered party" means a registered party within the meaning given to that expression by *The Election Finances Reform Act, 1975*.

Corporations  
to which  
s. 34 is  
applicable

(3) In respect of a corporation to which section 34 is applicable, the amount deductible under clause *a* of subsection 1 is the aggregate of,

- (a) the amount which would otherwise be deducted under clause *a* of subsection 1; and
- (b) that proportion of the amount determined under clause *a* that,
  - (i) the taxable income of the corporation that is earned in jurisdictions other than Ontario (as computed for the purposes of section 34 and without reference to this section and section 31),

is to,

- (ii) the amount by which the taxable income of the corporation exceeds the amount referred to in subclause i.



31.—(1) In computing the taxable income of a corporation for a taxation year there may be deducted the lesser of,

Purchase  
of shares  
of Venture  
Investment  
Corporation

- (a) the aggregate of,
  - (i) the corporation's "eligible expenditure" for the year determined under subsection 2, and
  - (ii) that proportion of the amount referred to in subclause i that,
    - (A) the proportion of the corporation's taxable income determined without reference to this section, that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (B) the amount by which the corporation's taxable income for the year, determined without reference to this section, exceeds the amount determined under sub-subclause A; and
- (b) the taxable income of the corporation for the year determined without reference to this section and section 30.

(2) In this section, a corporation's "eligible expenditure" for a taxation year means the aggregate of,

Interpre-  
tation

- (a) the amount of the corporation's "undeducted eligible expenditure" determined under subsection 3 for the immediately preceding taxation year; and
- (b) an amount equal to 250 per cent of the cost incurred in the year for the acquisition of shares of the capital stock of a corporation that is registered under *The Venture Investment Corporations Registration Act*, 1977, c. 10, 1977.

(3) For the purposes of subsection 2, a corporation's "undeducted eligible expenditures" means the amount by which,

Interpre-  
tation

- (a) its "eligible expenditure" for a taxation year determined under subsection 2,

exceeds,

(b) the amount deducted for that year under subsection 1 minus the proportion thereof that,

- (i) the taxable income of the corporation for the year that would be deemed to have been earned in all jurisdictions other than Ontario for the purposes of section 34,

is of,

- (ii) the taxable income of the corporation for the year.

#### DIVISION D—TAXABLE INCOME EARNED IN CANADA BY NON-RESIDENTS

Non-  
residents'  
taxable  
income  
earned in  
Canada

32. The taxable income earned in Canada for a taxation year of a corporation to which subsection 2 or 3 of section 2 applies shall be computed in accordance with the rules provided in section 115 of the *Income Tax Act* (Canada) in so far as the said rules apply to corporations, except that for the purposes of this Act,

- (a) there shall be included income from property that is real property situated in Canada or any interest therein, that arose from the sale or rental thereof or both; and
- (b) the amount of the income included in accordance with the said rules and clause a shall be determined in accordance with this Act.

#### DIVISION E—COMPUTATION OF INCOME TAX PAYABLE

Rate

33. The tax payable by a corporation under this Part upon its taxable income or taxable income earned in Canada, as the case may be, in this section referred to as the "amount taxable", is 12 per cent of the amount taxable.

Deduction  
from income  
tax

34. There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation an amount equal to 12 per cent of that portion of its taxable income or taxable income earned in Canada, as the case may be, which is earned in the taxation year in each jurisdiction other than Ontario, determined under rules prescribed by the regulations.

Foreign tax  
deduction

35.—(1) Where a corporation has a permanent establishment in Ontario, and,



(a) the corporation has included in computing its income for the taxation year,

(i) income that was derived from sources within a jurisdiction outside Canada in the form of dividends, interest, rents or royalties received in the year,

(ii) income that is deemed to have been received in the form of dividends and interest from a jurisdiction outside Canada by virtue of the provisions of subsection 5 of section 148 of the *Income Tax Act* (Canada), or

R.S.C. 1952,  
c. 148

(iii) the amount by which,

(A) the aggregate of that part of the corporation's taxable capital gains for the taxation year from the disposition of property as may reasonably be considered to be income from a source within a jurisdiction outside Canada,

exceeds,

(B) the aggregate of such of the corporation's allowable capital losses for the year from the disposition of property as may reasonably be considered to be a loss from a source within that jurisdiction outside Canada,

hereinafter in this section referred to as "foreign investment income"; or

(b) the corporation, having included in its income for the taxation year foreign investment income from sources within a jurisdiction outside Canada, also included income from a business carried on by it in that jurisdiction, hereinafter in this section referred to as "foreign business income",

and where,

(c) for the purposes of subsection 2 of section 126 of the *Income Tax Act* (Canada), such foreign investment income has not been included as part of such foreign business income, and, for the purpose of allocating taxable income to a jurisdiction outside Ontario in accordance with the regulations made under sec-

tion 34 such foreign investment income has been excluded from the calculation of gross revenue or any part thereof; and

R.S.C. 1952,  
c. 148

- (d) the corporation is entitled to a deduction under section 126 of the *Income Tax Act* (Canada), hereinafter in this section referred to as “foreign tax credit”, with respect to any income or profits tax paid to such jurisdiction on such foreign investment income or on such foreign investment income and foreign business income or is deemed to have been paid as income or profits tax to such jurisdiction by virtue of subsection 5 of section 148 of the *Income Tax Act* (Canada),

the corporation may deduct from the tax otherwise payable under this Part for the taxation year an amount equal to the lesser of,

- (e) 12 per cent of that part of such foreign investment income that is income that is included in that portion of taxable income that remains after deducting from such taxable income the portions thereof deemed to have been earned in jurisdictions other than Ontario for the purpose of section 34; and
- (f) the deficiency, if any, between,
- (i) the income or profits tax paid for the taxation year by the corporation to the jurisdiction outside Canada in respect of the foreign investment income referred to in clause e, and
  - (ii) the foreign tax credit allowed for the taxation year in respect of such foreign investment income under subsection 1 of section 126 of the *Income Tax Act* (Canada).

Idem

(2) For greater certainty, where the income of a corporation for a taxation year is in whole or in part from sources in more than one jurisdiction outside Canada, subsection 1 shall be read as providing for a separate deduction in respect of each jurisdiction outside Canada.

Small  
business  
incentives

36.—(1) There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation that, with respect to that taxation year, is eligible for a deduction under section 125 of the *Income Tax Act* (Canada), an amount equal to 3 per cent of the amount determined under subsection 2.

(2) For the purposes of subsection 1, the amount determined under this subsection is that proportion of the least of the amounts determined under paragraphs *a*, *b*, *c* and *d* of subsection 1 of section 125 of the *Income Tax Act* (Canada) for the taxation year, not exceeding \$150,000, that,

*Idem*  
R.S.C. 1952,  
c. 148

- (a) the amount of that portion of its taxable income for the taxation year that is deemed to have been earned in Ontario, measured in accordance with paragraph *a* of subsection 4 of section 124 of the *Income Tax Act* (Canada),

bears to,

- (b) the total amount of the portions of its taxable income for the taxation year that are deemed to have been earned in the provinces of Canada, measured in accordance with paragraph *a* of subsection 4 of section 124 of the *Income Tax Act* (Canada).

(3) In lieu of the deduction permitted under subsection 1, for the taxation year that ends after the 6th day of April, 1976, and that includes that day, there may be deducted from the tax otherwise payable under this Part for that taxation year the amount that would otherwise be deductible under section 106*a* as that section stood on the 6th day of April, 1976, determined on the assumption that that section applied to the whole of that taxation year.

Transitional  
rule; alter-  
native  
deduction

(4) Where a corporation has made a deduction under subsection 1 for the taxation year that ends after the 6th day of April, 1976, and that includes that day, in addition to the amount deducted under subsection 1 there may be deducted from the tax otherwise payable under this Part for that taxation year the lesser of,

Transitional  
rule;  
additional  
deduction

- (a) 3 per cent of the amount determined under subsection 2 for that taxation year; and
- (b) the amount that would have been deductible under subsection 3 of section 106*a* as that section stood on the 6th day of April, 1976 had that section applied to that taxation year.

(5) In this section, "tax otherwise payable under this Part" means the tax for the taxation year otherwise payable by the corporation under this Part after making any deduction applicable under sections 34 and 35, but before making any deduction under this section.

Interpre-  
tation

Tax on tax

R.S.C. 1952.  
c. 148

37. Where, under a contract, will or trust, made or created before the 14th day of May, 1953, a person is required to make a payment to a corporation and is required by the terms of the contract, will or trust to pay an additional amount measured by reference to tax payable by such corporation under Part I of the *Income Tax Act* (Canada) and Part II of this Act by reason of the payment,

(a) the tax payable by the corporation under Part II of this Act for the taxation year in or in respect of which such payment is made or becomes payable is the amount that the tax of the corporation under Part II of this Act would be if no amount under the contract were included in computing its income for the taxation year plus,

(i) the amount by which its tax under Part II of this Act would be increased by including in computing its income,

(A) the payment, and

(B) the amount by which its tax under Part I of the *Income Tax Act* (Canada) would be increased by including the payment in computing its income, and

(ii) the amount by which the tax of the corporation under Part II of this Act would be further increased by including, in computing its income for the taxation year, the amount fixed by subclause i or the additional payment, whichever is the lesser; and

(b) if the person required to make the payment is a corporation and would otherwise be entitled to deduct the amounts payable under such a contract in computing its income for a taxation year, such corporation is not entitled to deduct the amount determined under subclause ii of clause a.

#### DIVISION F—SPECIAL RULES APPLICABLE IN CERTAIN CIRCUMSTANCES

Where  
corporation  
bankrupt

38. Where a corporation has become bankrupt, as defined in subsection 3 of section 128 of the *Income Tax Act* (Canada), the rules provided in the said section 128 are applicable for the purposes of this Act.

### *Investment Corporations*

39.—(1) Where a corporation is, throughout a taxation year, an investment corporation, other than a mutual fund corporation, subsections 1, 2 and 3 of section 131 of the *Income Tax Act* (Canada) as made applicable by section 41 of this Act are applicable in respect of the corporation for the taxation year as if, Application of s. 41  
R.S.C. 1952, c. 148

- (a) the corporation had been a mutual fund corporation throughout that and all previous taxation years ending after 1971 throughout which it was an investment corporation; and
- (b) its capital gains redemption for that and all previous taxation years ending after 1971, throughout which it would, but for the assumption made by clause *a*, not have been a mutual fund corporation, were nil.

(2) Subsection 6 of section 41 applies to a corporation to which this section applies. Idem

### *Mortgage Investment Corporations*

40. Where a corporation was, throughout a taxation year, a mortgage investment corporation, as defined in subsection 6 of section 130.1 of the *Income Tax Act* (Canada), the rules provided in the said section 130.1 are applicable in computing its income for the taxation year for the purposes of this Act. R.S.C. 1952, c. 158, s. 130.1, applicable

### *Mutual Fund Corporations*

41.—(1) Except as hereinafter provided, where a corporation is a mutual fund corporation, section 131 of the *Income Tax Act* (Canada) is applicable for the purposes of this Act. R.S.C. 1952, c. 148, s. 131, applicable

(2) In the application of subparagraph i of paragraph *a* of subsection 2 of the said section 131 for the purposes of this Act, the reference therein to “20%” shall be read as a reference to “6%”. Idem

(3) In the application of subsection 3 of the said section 131 for the purposes of this Act, the reference therein to “this Act” shall be deemed to be a reference to this Act. Idem

(4) In the application of clause A of subparagraph i of paragraph *a* and clause C of subparagraph ii of paragraph *b*, Idem



of subsection 6 of the said section 131, for the purposes of this Act, the references therein to "5 times" shall be read as references to " $16\frac{2}{3}$  times".

Idem

(5) In the application of paragraph *d* of subsection 6 of the said section 131 for the purposes of this Act, subparagraph *i* thereof shall be read without reference to clause C thereof, and the reference to "40%" in clauses A and B of the said subparagraph shall be read as references to "12 per cent".

Apportion-  
ment of  
capital  
gains  
refund

(6) Where a corporation had a permanent establishment in a jurisdiction outside Ontario during a taxation year in respect of which this section applies, the capital gains refund otherwise determined hereunder shall be reduced by that proportion thereof that the taxable income of the corporation that is deemed to have been earned in jurisdictions other than Ontario for the taxation year for the purposes of section 34 bears to its total taxable income or, where its taxable income is nil, the capital gains refund otherwise determined hereunder shall be reduced by that proportion thereof that the corporation's taxable paid-up capital that is deemed to have been used in jurisdictions outside Ontario for that taxation year for the purposes of section 132 bears to its total taxable paid-up capital.

Exceptions  
R.S.C. 1952,  
c. 148

(7) Subsections 5 and 9 of section 131 of the *Income Tax Act* (Canada) and paragraph *c* of subsection 6 of the said section are not applicable for the purposes of this Act.

### *Non-Resident-Owned Investment Corporations*

Computation  
of income

42.—(1) The income of a non-resident-owned investment corporation for a taxation year shall be computed as if its only income for the year was the amount, if any, by which its taxable capital gains for the year exceeds its allowable capital losses for the year, from dispositions of taxable Canadian property or property that would be taxable Canadian property if at no time in the year the corporation had been resident in Canada.

Computation  
of taxable  
income

(2) The taxable income of a non-resident-owned investment corporation for a taxation year is its income determined under subsection 1, minus its net capital losses for taxation years preceding and the taxation year immediately following the taxation year, as determined in accordance with section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act.

R.S.C. 1952,  
c. 148,  
s. 133 (5, 7.1, 7.2),  
applicable

(3) The provisions of subsections 5, 7.1 and 7.2 of section 133 of the *Income Tax Act* (Canada) are applicable for the purposes of this section.

### *Patronage Dividends*

43.—(1) Except as hereinafter provided, the provisions of section 135 of the *Income Tax Act* (Canada) with respect to the deduction from income of payments made pursuant to allocations in proportion to patronage and the inclusion in income of payments received pursuant to allocations in proportion to patronage are, in so far as they apply to corporations, applicable in computing income for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 135,  
applicable

(2) Subsection 3 of the said section 135 is not applicable for the purposes of this Act. Non-  
application  
of s. 135 (3)

### *Credit Unions*

44.—(1) Except as hereinafter provided, the provisions of section 137 of the *Income Tax Act* (Canada) are applicable in computing the income of credit unions for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 137,  
applicable

(2) Subsections 3 and 4 of the said section 137 and paragraph *c* of subsection 6 of the said section 137 are not applicable for the purposes of this Act. Exceptions

### *Deposit Insurance Corporations*

45.—(1) Except as hereinafter provided, the provisions of section 137.1 of the *Income Tax Act* (Canada) are applicable in computing the income of deposit insurance corporations and member institutions thereof for the purposes of this Act. R.S.C. 1952,  
c. 148,  
s. 137.1,  
applicable

(2) In the application of subsection 1 of the said section 137.1 for the purposes of this Act, the reference in paragraph *a* thereof to "this Part" shall be deemed to be a reference to Part II of this Act. Idem

(3) Subsection 9 of the said section 137.1 is not applicable for the purposes of this Act. Exception

### *Insurance Corporations*

46.—(1) Notwithstanding any other provision of this Act, except as hereinafter provided, the taxable incomes of insurance corporations that carry on an insurance business in Ontario shall, for the purposes of this Act, be computed in accordance with the rules provided in sections 138, 140, 141, 141.1 and 142 of the *Income Tax Act* (Canada). Calculation  
of taxable  
income



Interpre-  
tation

(2) In the application of subsection 1 of the said section 138 for the purposes of this Act, the reference in paragraph *d* thereof to "this Part" shall be deemed to be a reference to Part II of this Act.

Application  
of rules  
under  
R.S.C. 1952,  
c. 148

47. The rules provided in section 139 of the *Income Tax Act* (Canada), with respect to the conversion of a provincially incorporated life insurance corporation into a mutual corporation, are applicable for the purposes of this Act.

Amounts to  
be included  
in computing  
policy-  
holder's  
income

48. Subsection 2 of section 142 of the *Income Tax Act* (Canada) is, in so far as it applies to corporations, applicable for the purposes of this Act.

#### DIVISION G—EXEMPTIONS

Exemptions

49.—(1) Except as hereinafter provided, no tax is payable under this Part upon the taxable income of a corporation for a period when that corporation was,

Charities  
and other  
corporations

(a) a corporation referred to in paragraph *c, d, e, f, h.1, i, j, k, m, n* or *o* of subsection 1 of section 149 of the *Income Tax Act* (Canada);

Non-profit  
organizations

(b) a club, society or association that, in the opinion of the Minister, was not a charity within the meaning given to that expression by subsection 1 of section 149.1 of the *Income Tax Act* (Canada) and that was organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, which has not in the taxation year or in any previous taxation year distributed any part of its income to any proprietor, member or shareholder thereof, or appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof, unless the proprietor, member or shareholder was a club, society or association, the primary purpose and function of which was the promotion of amateur athletics in Canada; or

Farmers' and  
fishermen's  
insurers

(c) an insurer, who was engaged during the period in no business other than insurance, if, in the opinion of the Minister on the advice of the Superintendent of Insurance, 50 per cent of its gross premium income for the period was in respect of the insurance of farm property, property used in fishing or residences of farmers or fishermen.

(2) Where a corporation described in clause *b* of subsection 1,

Tax payable  
where distribution made  
to members or  
shareholders

(a) has in the taxation year distributed any part of its income or distributed or otherwise appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof, such corporation shall be liable to the taxes imposed under this Act for the taxation year in which the distribution is made and for subsequent taxation years, and in computing its income for the taxation year in which the distribution is made, it shall include the aggregate of its income of all previous taxation years; or

(b) has, after 1971, distributed any of its income or distributed or otherwise appropriated any of its funds or property in any manner whatever to or for the benefit of any proprietor, member or shareholder thereof on the winding up or discontinuance of its business, the corporation shall be deemed to have received income in that taxation year equal to the amount, if any, by which the amount of the funds and the value of the property distributed or appropriated, as the case may be, exceeds the aggregate of,

(i) amounts paid in by proprietors, members or shareholders on account of capital, and

(ii) that part of the corporation's surplus that is attributed to income that was exempt under this section other than taxable capital gains,

and the corporation shall be liable for the taxes imposed under this Act for the taxation year in which the distribution is made.

(3) For the purposes of clause *b* of subsection 1, in computing the part, if any, of any income that was distributed or otherwise appropriated for the benefit of any person, the amount of such income shall be deemed to be the amount thereof otherwise determined less the amount of any taxable capital gains included therein.

Income not  
to include  
taxable  
capital  
gains

(4) The rules provided in subsections 2, 3, 4, 6, 8, 9 and 10 of section 149 of the *Income Tax Act* (Canada) are applicable for the purposes of this section.

Application  
of rules  
under  
R.S.C. 1952,  
c. 148

Idem

R.S.C. 1952.  
c. 148

(5) In the application of subsection 2 of section 149 of the *Income Tax Act* (Canada) for the purposes of this Act, the said subsection shall be read without the reference therein to paragraph *l*.

s. 126 (1) (c),  
re-enacted

**9.**—(1) Clause *c* of subsection 1 of section 126 of the said Act is repealed and the following substituted therefor:

(c) all its reserves, whether created from income or otherwise, except any reserve the creation of which is allowed as a deduction under the provisions of Part II, except paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of subsections 1 and 8 of section 14 of this Act.

s. 126 (1) (d),  
re-enacted

(2) Clause *d* of subsection 1 of the said section 126, as re-enacted by the Statutes of Ontario, 1973, chapter 42, section 11, is repealed and the following substituted therefor:

(d) all sums or credits advanced or loaned to the corporation by its shareholders directly or indirectly or by any person related to any of its shareholders or by any other corporation; and

s. 127 (1) (b),  
re-enacted

**10.**—(1) Clause *b* of subsection 1 of section 127 of the said Act is repealed and the following substituted therefor:

(b) the amount of the discount on the issue or sale of the shares of the corporation.

s. 127 (1) (c),  
re-enacted

(2) Clause *c* of subsection 1 of the said section 127, as amended by the Statutes of Ontario, 1976, chapter 32, section 17, is repealed and the following substituted therefor:

Investments

(c) the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a*, *b* and *d* which the cost of the investments made by the corporation in the shares and bonds of other corporations, in loans and advances to other corporations and in the bonds, debentures and other securities of any government, municipal or school corporation bears to the total of the assets of the corporation remaining after the deductions of the amounts provided by clauses *a*, *b* and *d*, but,

- (i) the deduction under this clause shall in no case exceed the cost of the investments in respect of which the deduction is claimed, and
- (ii) cash on deposit with any corporation doing the business of a savings bank and amounts due by a corporation with its head office outside Canada to a subsidiary controlled corporation or a subsidiary wholly-owned corporation taxable under this Part are deemed not to be loans and advances to other corporations.

(3) Clause *d* of subsection 1 of the said section 127, as enacted by the Statutes of Ontario, 1976, chapter 32, section 17, is amended by striking out "section 63" in the fifth line and inserting in lieu thereof "section 20". s. 127 (1) (d),  
amended

(4) Clause *d* of subsection 2 of the said section 127 is repealed and the following substituted therefor: s. 127 (2) (d),  
re-enacted

(d) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is deductible under the provisions of Part II except paragraph *n* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of subsections 1 and 8 of section 14 of this Act. R.S.C. 1952,  
c. 148

**11.** Subclause ii of clause *b* of subsection 1 of section 128 of the said Act is repealed and the following substituted therefor: s. 128 (1) (b)  
(ii),  
re-enacted

- (ii) the amount of the indebtedness of the corporation relating to its permanent establishments in Canada, but excluding therefrom,
  - (A) all amounts that are advanced or loaned to its permanent establishments in Canada by the corporation itself or by its shareholders directly or indirectly or by any person related to any of its shareholders or by any other corporation, and
  - (B) all other indebtedness that is represented by bonds, bond mortgages, debentures, income bonds, income debentures, mortgages, lien notes and

any other securities to which the property in Canada or any of it is subject,

s. 130,  
amended

- 12.** Section 130 of the said Act is amended by striking out "clause *c* of subsection 1 of section 75" in the seventh and eighth lines and inserting in lieu thereof "paragraph *c* of subsection 1 of section 81 of the *Income Tax Act* (Canada) as that paragraph applies by virtue of section 24 of this Act".

s. 135,  
re-enacted

- 13.** Section 135 of the said Act, as amended by the Statutes of Ontario, 1974, chapter 75, section 10, is repealed and the following substituted therefor:

Idem

135.—(1) Except as provided in subsection 10 of section 14, every corporation referred to in subsection 1 of section 49, other than a corporation referred to in paragraph *m* of subsection 1 of section 149 of the *Income Tax Act* (Canada), shall not be required to pay the taxes otherwise payable under section 131 or 133.

Idem

(2) Subject to subsection 3, every corporation referred to in clause *d* of subsection 1 of section 1, and sections 40 and 44 of this Act and paragraph *m* of subsection 1 of section 149 of the *Income Tax Act* (Canada) shall, in lieu of the tax payable under section 131 or 133, pay a tax of \$50.

Idem

(3) Subsection 2 does not apply in the case of a corporation referred to in clause *d* of subsection 1 of section 1 where, pursuant to subsection 2 of section 31 of the *Income Tax Act* (Canada) as made applicable by subsection 1 of section 14 of this Act, the Minister has determined that the chief source of income of the corporation for a taxation year is neither farming nor a combination of farming and some other source of income.

s. 137,  
amended

- 14.** Section 137 of the said Act is amended by striking out "section 122" in the first line and in the sixth line and inserting in lieu thereof in each instance "section 49".

s. 145,  
amended

- 15.** Section 145 of the said Act is amended by adding thereto the following subsection:

Trustees,  
etc.

(3) Every trustee in bankruptcy, assignee, liquidator, curator, receiver, trustee or committee and every agent or other person administering, managing, winding-up, controlling or otherwise dealing with the property, business, estate or income of a corporation that has not filed a return for a



taxation year as required by this section shall file the return required by subsection 1 for that corporation for that year.

- 16.**—(1) Subclause i of clause b of subsection 3 of section 148 of the said Act, as re-enacted by the Statutes of Ontario, 1975, chapter 17, section 64, is repealed and the following substituted therefor:

- (i) on or before the last day of the third month of the taxation year following that in respect of which the tax is payable, where an amount was deducted by virtue of section 125 of the *Income Tax Act* (Canada) in computing the tax payable by the corporation under Part I of that Act for the taxation year or the immediately preceding taxation year, or

s. 148 (3) (b) (i),  
re-enacted

R.S.C. 1952,  
c. 148

- (2) Clause b of subsection 5 of the said section 148, as enacted by the Statutes of Ontario, 1976, chapter 32, section 19, is amended by striking out “subsections 2 and 2a of section 109” in the second and third lines and inserting in lieu thereof “section 41”.

s. 148 (5) (b),  
amended

- (3) Subsection 6 of the said section 148, as enacted by the Statutes of Ontario, 1976, chapter 32, section 19, is amended by striking out “subsections 2 and 2a of section 109” in the fourth and fifth lines and inserting in lieu thereof “section 41”.

s. 148 (6),  
amended

- 17.** Subsection 4 of section 149 of the said Act is amended by striking out “section 99” in the second line and in the twelfth line and inserting in lieu thereof in each instance “section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act”.

s. 149 (4),  
amended

- 18.**—(1) Subsection 1 of section 150 of the said Act is repealed and the following substituted therefor:

s. 150 (1),  
re-enacted

(1) The Minister shall with all due despatch examine each return delivered under section 145, shall assess the tax for the taxation year and the interest and penalties, if any, payable and shall determine the amount of refund, if any, to which the corporation may be entitled by virtue of section 39 or 41 for the taxation year.

Assessment  
of returns

(1a) The Minister may determine the amount of a corporation's non-capital loss, net-capital loss or restricted farm loss for a taxation year where, in his opinion, the amount thereof is different from the amount reported by the corporation in its return delivered under section 145 for the taxation year.

Deter-  
mination  
of loss

Provisions  
applicable

R.S.C. 1952,  
c. 148

(1*b*) The provisions of paragraph *l* of subsection 1 of section 56 and paragraph *o* of section 60 of the *Income Tax Act* (Canada), as those paragraphs apply by virtue of sections 16 and 17, respectively, of this Act, and the provisions of this Part shall apply, *mutatis mutandis*, to a determination under subsection 1 or 1*a*.

s. 150 (4) (a)  
(v),  
re-enacted

(2) Subclause *v* of clause *a* of subsection 4 of the said section 150 is repealed and the following substituted therefor:

(v) has claimed a deduction under paragraph *s* of subsection 1 of section 20 of the *Income Tax Act* (Canada) as made applicable by section 14 of this Act; and

. . . . .

s. 150 (5),  
amended

(3) Subsection 5 of the said section 150 is amended by striking out "section 99" in the sixth line and inserting in lieu thereof "section 111 of the *Income Tax Act* (Canada) as made applicable by section 29 of this Act".

s. 152 (4),  
amended

**19.**—(1) Subsection 4 of section 152 of the said Act is amended by inserting after "section 154" in the first line "or by virtue of a decision made under section 160*b*".

s. 152 (7),  
amended

(2) Subsection 7 of the said section 152 is amended by striking out "section 99" in the second line and in the twelfth and thirteenth lines and inserting in lieu thereof in each instance "section 111 of the *Income Tax Act* (Canada), as made applicable by section 29 of this Act".

s. 153 (1),  
amended

**20.** Subsection 1 of section 153 of the said Act is amended by striking out "to the extent that interest has been otherwise assessed under subsection 2 of section 149 except that under no circumstances shall the credit interest so allowed exceed the interest otherwise assessed under that section" in the ninth, tenth, eleventh, twelfth and thirteenth lines.

s. 154,  
amended

**21.** Section 154 of the said Act, as amended by the Statutes of Ontario, 1976, chapter 32, section 21, is further amended by adding thereto the following subsection:

(6) Where a corporation has served a notice of objection to an assessment in accordance with this section or has instituted an appeal in accordance with section 155 and thereafter the Minister issues to the corporation,

Reassess-  
ment,  
additional  
assessment or  
deter-  
mination  
does not in-  
validate  
objection  
or appeal

(a) a reassessment or additional assessment of tax, interest or penalties under section 150; or



- (b) a determination of the amount of a refund or loss under subsection 1 or 1*a* of section 150,

for the taxation year in respect of which the notice of objection was served or the appeal instituted, and sends to the corporation a notice of such reassessment, additional assessment or determination,

- (c) the reassessment, additional assessment or determination does not invalidate the notice of objection or appeal, as the case may be; and
- (d) the corporation may, if section 160*b* does not apply, file an additional objection in respect of any new matters raised in the reassessments, additional assessment or determination, as the case may be.

**22.**—(1) Subsection 1 of section 155 of the said Act is amended by adding at the end thereof “and notwithstanding section 17 of *The Judicature Act* the appeal shall be heard and determined by a judge of the High Court and not by the Divisional Court”. s. 155 (1),  
amended

(2) Subsections 5 and 6 of the said section 155 are repealed. s. 155 (5, 6),  
repealed

**23.** Subsection 1 of section 157 of the said Act is amended by striking out “and, unless the court otherwise orders, ready for hearing” in the sixth and seventh lines. s. 157 (1),  
amended

**24.** The said Act is further amended by adding thereto the following sections: ss. 160*a*, 160*b*,  
enacted

160*a*. The time within which a notice of objection under subsection 1 of section 154 or a notice of appeal under subsection 1 of section 155 is to be served may be extended by the Minister if application for extension is made prior to the expiration of the time for service of the notice of objection or notice of appeal, as the case may be. Extension  
of time

160*b*.—(1) Where,

Alternative  
objection and  
appeal  
procedure

- (a) a notice of assessment is issued to a corporation under section 150 that states on the face thereof that the assessment or a designated part thereof has been made pursuant to this section (which assessment or part, as the case may be, is hereinafter referred to as the designated assessment);

- (b) a notice of assessment has been issued to the corporation under the *Income Tax Act* (Canada) based R.S.C. 1952,  
c. 148

on provisions in that Act corresponding to the provisions in this Act on which the designated assessment was based;

- (c) the corporation has served a notice of objection to the assessment referred to in clause *b* in which the same issues have been raised as would have been raised in an objection to the designated assessment; and
- (d) the corporation has not served in accordance with section 154 a notice of objection to the designated assessment,

this section applies to the designated assessment, and in any such case, sections 154 to 160 do not apply, but those sections do apply to the part, if any, of the assessment referred to in clause *a* that is not a designated assessment.

Corporation  
and Minister  
bound

(2) The corporation and the Minister shall, with respect to a designated assessment to which this section applies, be bound by,

- (a) the decision of the Minister of National Revenue for Canada from which no appeal is taken in accordance with the *Income Tax Act* (Canada); or
- (b) where an appeal is instituted, the final disposition of the appeal by the Tax Review Board or any court of competent jurisdiction; or
- (c) any minutes of settlement of the issues raised in the notice of objection to the assessment referred to in clause *b* of subsection 1 made between the corporation and the Minister of National Revenue for Canada at any stage of the proceedings following the service of that notice of objection,

and in any such case the Minister shall, where necessary, reassess the corporation in accordance therewith.

Idem

(3) Sections 154 to 160 do not apply to the reassessment referred to in subsection 2.

s. 167 (1, 2),  
re-enacted

**25.** Subsections 1 and 2 of section 167 of the said Act, as amended by the Statutes of Ontario, 1973, chapter 157, section 32 and 1975, chapter 17, section 66, are repealed and the following substituted therefor:

(1) All taxes, interest, penalties, costs and other amounts imposed under this or any predecessor Act in respect of any taxation year of a corporation that commenced in any calendar year ending after the 31st day of December, 1972 are debts due to Her Majesty and, subject to the *Bankruptcy Act* (Canada), are a first lien and charge upon property in Ontario of the corporation liable to pay such taxes, interest, penalties, costs and other amounts.

Lien in respect of taxes and other amounts imposed

R.S.C. 1970, c. B-4

(2) At the expiry of each calendar year following 1977, the reference in subsection 1 to "1972" shall be advanced by one year.

Expiry of lien

(2a) Subsections 1 and 2 do not apply to extinguish or remove any lien or charge that is claimed under this or any predecessor Act in a Notice of Lien that is registered in the proper land registry office.

Exception re registered liens

**26.** The said Act is further amended by striking out "fiscal year" wherever it occurs and inserting in lieu thereof in each instance "taxation year".

Act amended

**27.**—(1) This Act, except clause *d* of subsection 7 and subsection 11 of section 14 of the said Act, subsection 5 of section 15 of the said Act, subsections 4, 5 and 6 of section 16 of the said Act, section 19 of the said Act, subsection 5 of section 25 of the said Act, and section 31 of the said Act, all as enacted by section 8 of this Act, subsection 1 of section 19 and sections 20, 21, 22, 23, 24, 25 and 26, of this Act, comes into force on the day it receives Royal Assent and applies to corporations in respect of all taxation years ending on or after that day.

Commencement and application

(2) Clause *d* of subsection 7 of section 14 of the said Act and section 19 of the said Act, both as enacted by section 8 of this Act, shall be deemed to have come into force on the 20th day of April, 1977 and apply to corporations in respect of all taxation years ending after the 19th day of April, 1977.

Idem

(3) Subsection 11 of section 14 of the said Act, subsection 5 of section 15 of the said Act, subsections 4, 5 and 6 of section 16 of the said Act, subsection 5 of section 25 of the said Act and section 31 of the said Act, all as enacted by section 8 of this Act, come into force on a day to be named by proclamation of the Lieutenant Governor, and when in force, apply to corporations in respect of all taxation years ending on or after the day that

Idem

1977, c. 10

*Venture Investment Corporations Registration Act, 1977* comes into force.

Idem

- (4) Subsection 1 of section 19 and sections 21, 22, 23, 24, 25 and 26 come into force on the day this Act receives Royal Assent.

Idem

- (5) Section 20 of this Act comes into force on the day this Act receives Royal Assent and applies to instalments of tax payable in respect of all taxation years ending on or after that day.

Idem  
R.S.C. 1952,  
c. 148.

- (6) The amendments to the *Income Tax Act* (Canada) made by,

(a) an Act to amend the *Income Tax Act*, being chapter 106 of the Statutes of Canada, 1974-75-76; and

(b) an Act to amend the *Income Tax Act*, being chapter 4 of the Statutes of Canada, 1976-77,

1972, c. 143

to sections of that Act which are by this Act made applicable for the purposes of *The Corporations Tax Act, 1972* shall be deemed to have come into force for the purposes of *The Corporations Tax Act, 1972* at the same time and to apply in the same manner as those amendments were brought into force and made applicable by the said Acts to amend the *Income Tax Act* (Canada).

Short title

- 28.** The short title of this Act is *The Corporations Tax Amendment Act, 1977*.









An Act to amend  
The Corporations Tax Act, 1972

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*1st Reading*

November 1st, 1977

*2nd Reading*

November 29th, 1977

*3rd Reading*

December 6th, 1977

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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**BILL 89**

**Private Member's Bill**

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

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**An Act to amend The Planning Act**

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MR. CUREATZ

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TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

The purpose of this Bill is to provide a statement of the specific criteria that should guide a committee of adjustment, land division committee or the Minister when deciding whether to give a consent under section 29 of *The Planning Act*.

SECTION 1. The existing section 29 (12) of *The Planning Act* invokes considerations relating to subdivision agreements and applies them to the giving of consents. The section as amended contains a list of criteria that have particular reference to consents. Most of the considerations are developed from a list contained in section 33 (4) of *The Planning Act*. Another consideration is drawn from section 42 (3). The amendment also requires the committee of adjustment, land division committee and the Minister to consider the community needs for housing and commercial and industrial development.

BILL 89

1977

## An Act to amend The Planning Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Subsection 12 of section 29 of *The Planning Act*, being <sup>s. 29 (12), re-enacted</sup> chapter 349 of the Revised Statutes of Ontario, 1970, is repealed and the following substituted therefor:

(12) A committee of adjustment, a land division committee and the Minister, in determining whether a consent is to be given, shall decide whether the consent is in the public interest and shall have regard to, <sup>Matters to be regarded in determining consent</sup>

- (a) the health, safety, convenience and welfare of the future inhabitants;
- (b) the official plan and adjacent plans of subdivision, if any;
- (c) the community's needs for housing and commercial and industrial development;
- (d) the restrictions or proposed restrictions, if any, on the land, buildings and structures proposed to be erected thereon and the restrictions, if any, on adjoining lands;
- (e) the dimensions and shape of the lot or lots and the geographic character of the surrounding land;
- (f) the adequacy of utilities and municipal services;
- (g) the adequacy of school sites;
- (h) the conservation of natural resources and flood control;

- (i) whether a plan of subdivision under section 33 of the land described in the application is necessary for the proper and orderly development of the municipality.

s. 29,  
amended

- (2) The said section 29, as amended by the Statutes of Ontario, 1971, chapter 2, section 1, 1972, chapter 118, section 3, 1973, chapter 168, section 6, 1974, chapter 53, section 4 and 1976, chapter 38, section 2, is further amended by adding thereto the following subsection:

Power to  
impose  
conditions

(12b) A committee of adjustment, a land division committee and the Minister have the same powers with respect to a consent as the Minister has with respect to an approval of a plan of subdivision under subsections 5 and 8 of section 33, and shall require that all conditions imposed be fulfilled prior to the granting of a consent.

s. 42 (3),  
re-enacted

2. Subsection 3 of section 42 of the said Act is repealed and the following substituted therefor:

Power of  
committee  
to give  
consent

(3) In addition to its powers under subsections 1 and 2 and subject to section 30, the committee, upon the application of the owner of any land or any person authorized in writing by such owner, may, notwithstanding any other Act, give a consent as mentioned in section 29.

Commence-  
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. The short title of this Act is *The Planning Amendment Act, 1977*.

Subsection 12*b* is a re-enactment of the latter portion of the existing section 29 (12) concerning the attachment of conditions to consents.

SECTION 2. The amendment deletes the words "provided that the committee is satisfied that a plan of subdivision under section 33 of the land described in the application is not necessary for the proper and orderly development of the municipality" in section 42 (3). The phrase is unnecessary because it has been included as one of the considerations listed in the amended section 29 (12).







An Act to amend  
The Planning Act

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*1st Reading*

November 1st, 1977

*2nd Reading*

*3rd Reading*

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MR. CUREATZ

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(*Private Member's Bill*)

ADON  
XB  
-B 56

**BILL 90**

**Private Member's Bill**

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

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**An Act respecting Toxic and Hazardous Substances**

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MR. LEWIS

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#### EXPLANATORY NOTE

The purpose of the Bill is,

- (1) to require that every new substance or new process be tested for toxic or hazardous characteristics by an independent research organization before it is introduced into the work place.
- (2) to enable the Minister of Labour to require any substance or process already in use be tested for toxic or hazardous characteristics by an independent research organization when the effect on the health of the employees is in question.
- (3) where toxic or hazardous characteristics are found through the testing procedure, the Minister can prohibit, severely limit or place conditions on its introduction.
- (4) to require an annual audit of the use by amount of toxic or hazardous substances and mixtures in each work place.

BILL 90

1977

## An Act respecting Toxic and Hazardous Substances

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1.** In this Act,

Interpre-  
tation

- (a) "Minister" means the Minister of Labour;
- (b) "substance" means any solid, liquid, gaseous or other substance or any component thereof and includes any combination, blending or mixture of substances;
- (c) "process" means any chemical, mechanical, electrical, catalytic or other process or any component thereof and includes any combination of chemical, mechanical, electrical, catalytic or other processes;
- (d) "new substance" means any substance not in commercial use on or before the date this Act comes into force;
- (e) "new process" means any process not in commercial use on or before the date this Act comes into force;
- (f) "manufacturer" includes any enterprise engaged in the use, distribution or sale of any substance or process, whether manufactured, purchased or imported in whole or in part by the enterprise;
- (g) "research organization" includes any independent research organization approved by the Minister.

**2.** No manufacturer shall use, distribute or sell any new substance or new process, whether manufactured, pur-

Minister  
must approve  
new sub-  
stance or  
process

chased or imported in whole or in part by the manufacturer without the approval of the Minister.

Notice to  
Minister

**3.** A manufacturer who proposes to use, distribute or sell a new substance or a new process, whether manufactured, purchased or imported in whole or in part by the manufacturer, shall give notice of intention in writing to the Minister in the prescribed form.

Power of the  
Minister to  
approve or  
order tests

**4.** The Minister upon receiving any notice of intention shall,

- (a) approve the use, distribution or sale of the new substance or new process whether manufactured, purchased or imported in whole or in part by the manufacturer, which is known to the Minister to be non-toxic or otherwise non-hazardous to any employee in a workplace; or
- (b) designate the research organization to test the new substance or new process whether manufactured, purchased or imported in whole or in part by the manufacturer which is not known to the Minister to be non-toxic or otherwise non-hazardous to any employee in a workplace.

Research  
organization  
to undertake  
testing

**5.**—(1) The research organization designated by the Minister under section 4 (b) to test the new substance or new process shall undertake the prescribed tests and shall report to the Minister and to the manufacturer,

- (a) the results of the tests; and
- (b) the conclusions about the extent to which the new substance or new process is toxic or otherwise hazardous to human beings; and
- (c) the recommendations about the use, distribution or sale of the new substance or new process and the conditions of its use, distribution or sale.

Costs of  
testing

(2) The reasonable costs incurred by the research organization designated under section 4 (b) for testing the new substance or new process and reporting thereon to the Minister and the manufacturer shall be borne by the manufacturer.

Where  
Minister may  
give approval

**6.**—(1) Where the results of the tests provided for in section 4 (b) indicate that the new substance or new process is not likely to be toxic or otherwise hazardous to the

health of any employee in a work place, the Minister may forthwith approve the use, distribution or sale of the new substance or process.

(2) Where the results of the tests provided for in section 4 (b) indicate that the new substance or new process may be toxic or otherwise hazardous to the health of any employee in a work place, the Minister shall make such order as, in his opinion, is necessary to provide for the safety of such employees including one or more of the following, Where Minister may limit use of substance

- (a) prohibiting the use, distribution or sale of the new substance or new process;
- (b) limiting the use, distribution or sale of the new substance or new process to a particular amount, use, concentration or emission level; or
- (c) requiring that the new substance or new process be marked with or accompanied by clear warnings and instructions concerning its use and disposal.

7. Notwithstanding that a substance or process was in use, distributed or sold before this Act came into force, or has been approved by the Minister under this Act, the Minister may order tests on any substance or process where, in the opinion of the Minister, such testing or further testing is required in the interests of the safety of employees in contact with the substance or process, and where such tests are ordered under this section, the provisions of this Act apply *mutatis mutandis* to the substance or process as if it were a new substance or new process. Additional power of Minister to order tests

8. Every manufacturer shall prepare and file an annual report in prescribed form in respect of the use of substances and processes with toxic or hazardous characteristics. Annual report

9. Nothing in this Act shall be construed to alter or affect the liability and obligation of the manufacturer as now exists in law. Civil liability as not affected

10.—(1) Every person who,

Offence

- (a) contravenes any of the provisions of this Act;
- (b) fails to comply with an order made under this Act;  
or
- (c) contravenes any provision of the regulations,



and every director or officer who knowingly concurs in such contravention or failure is guilty of an offence and on summary conviction is liable to a fine of not more than \$25,000.

**Idem** (2) Where a corporation is convicted of an offence under subsection 1, the maximum fine that may be imposed is \$100,000 and not as provided therein.

**Regulations** **11.** The Lieutenant Governor in Council may make regulations,

- (a) prescribing tests to be carried out on new substances or new processes;
- (b) prescribing forms and providing for their use;
- (c) respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act.

**Commence-  
ment** **12.** This Act comes into force on the day it receives Royal Assent.

**Short title** **13.** The short title of this Act is *The Toxic and Hazardous Substances Act, 1977*.



An Act respecting  
Toxic and Hazardous Substances

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*1st Reading*

November 1st, 1977

*2nd Reading*

*3rd Reading*

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MR. LEWIS

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*(Private Member's Bill)*

**BILL 91**

**Government Bill**

1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend The Assessment Act**

THE HON. MARGARET SCRIVENER  
Minister of Revenue

TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO

#### EXPLANATORY NOTES

SECTION 1. The addition of clause *d* to section 86 of the Act will postpone from 1977 to 1978 the return of assessments at market value. The addition of subsection 2 to section 86 of the Act will ensure that vacant buildings and structures, or portions thereof, that have not commenced to be used in 1977 will be included in the assessment for taxation in 1978 where the construction or improvement has increased the value of the real property by at least \$2,500. This will prevent the exclusion from assessment and taxation of significant amounts of real property that, although of considerable value, remain vacant and outside the provisions of clause *a* of section 43 of the Act.

The remaining amendments in section 1 of the Bill are consequential on the postponement of market value assessments.

BILL 91

1977

## An Act to amend The Assessment Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 86 of *The Assessment Act*, being chapter 32 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1976, chapter 65, section 1, is amended,

(a) by striking out "and" at the end of clause *b* and by adding "and" at the end of clause *c*;

(b) by adding thereto the following clause;

(d) subject to subsection 2, the assessment roll of a municipality to be returned in the year 1977 shall be the assessment of all real property as set forth in the assessment roll returned for the year 1976 for taxation in the year 1977 as amended, added to or otherwise altered up to the third Tuesday following the 1st day of December, 1977,

. . . . .

(c) by striking out "1975 or 1976" in the twenty-eighth line and inserting in lieu thereof "1975, 1976 or 1977"; and

(d) by adding thereto the following subsection:

(2) Where the erection, alteration, enlargement or improvement of any building, structure, machinery, equipment or fixture or any portion thereof increases the value of any real property in a municipality or locality by at least \$2,500, and where such increase in value has not been, or is not liable to be, assessed pursuant to section 43, such increase in value shall be assessed and included in the assessment roll to be returned in the municipality or locality next after

Increases in  
value to be  
added to  
assessment  
roll

such increase comes to the attention of, and the amount thereof has been determined by, the Assessment Commissioner.

s. 95.  
re-enacted

2. Section 95 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 65, section 2, is repealed and the following substituted therefor:

Application

95. Section 90 ceases to be in force on the 19th day of December, 1978, but shall continue in force for the purpose of any pending complaint, appeal, proceeding or action which will affect taxes for the years 1971 to and including 1978.

s. 96.  
re-enacted

3. Section 96 of the said Act, as re-enacted by the Statutes of Ontario, 1974, chapter 41, section 31 and amended by 1976, chapter 65, section 3, is repealed and the following substituted therefor:

Application

96.—(1) Subject to section 97, subsection 6 of section 33 continues to be not in force and remains inoperative until the 1st day of January, 1978.

Idem

(2) Section 71 continues to be not in force and remains inoperative until the 1st day of January, 1979.

s. 97 (1),  
amended

- 4.—(1) Subsection 1 of section 97 of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 161, section 2, is amended by striking out "93, 94 or" in the seventeenth line.

s. 97 (2),  
amended

- (2) Subsection 2 of the said section 97, as amended by the Statutes of Ontario, 1975 (2nd Session), chapter 2, section 3, is further amended by striking out "1977", as inserted in the third line by the said amendment, and inserting in lieu thereof "1979".

s. 97 (5),  
amended

- (3) Subsection 5 of the said section 97, as amended by the Statutes of Ontario, 1973, chapter 148, section 5, is further amended by striking out "section 72" in the first line and in the fifteenth line and inserting in lieu thereof in each instance "section 507 of *The Municipal Act*".

Commence-  
ment

- 5.—(1) This Act, except section 3, comes into force on the 1st day of December, 1977.

Idem

- (2) Section 3 shall be deemed to have come into force on the 1st day of January, 1977.

Short title

6. The short title of this Act is *The Assessment Amendment Act, 1977*.



SECTION 2. The changes made in the re-enactment of section 95 are consequential on the postponement of market value assessments.

Section 95 now reads:

*95. Section 90 ceases to be in force on the 20th day of December, 1977, but shall continue in force for the purpose of any pending complaint, appeal, proceeding or action which will affect taxes for the years 1971 to and including 1977.*

SECTION 3. The changes made in section 96 are consequential on the postponement of market value assessments.

Section 96 now reads:

*96.—(1) Subject to section 97, subsection 6 of section 33 continues to be not in force and remains inoperative until the 1st day of January, 1977.*

*(2) Section 71 continues to be not in force and remains inoperative until the 1st day of January, 1978.*

SECTION 4.—Subsection 1. The amendment deletes references to sections that were earlier repealed.

Subsection 2. The amendment is consequential on the postponement of market value assessments and the amendments to section 96 by section 3 of this Bill.

Subsection 3. The amendment reflects the repeal of section 72 of *The Assessment Act* and the enactment of similar provisions in section 507 of *The Municipal Act*, effective January 1st, 1976.





An Act to amend  
The Assessment Act

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*1st Reading*

November 3rd, 1977

*2nd Reading*

*3rd Reading*

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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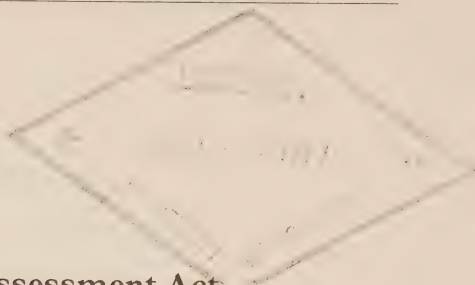
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*Ontario Legislative Assembly*  
**BILL 91**

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

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**An Act to amend The Assessment Act**

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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TORONTO

PRINTED BY J. C. THATCHER, QUEEN'S PRINTER FOR ONTARIO



## An Act to amend The Assessment Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 86 of *The Assessment Act*, being chapter 32 of the Revised Statutes of Ontario, 1970, as re-enacted by the Statutes of Ontario, 1976, chapter 65, section 1, is amended,

(a) by striking out “and” at the end of clause *b* and by adding “and” at the end of clause *c*;

(b) by adding thereto the following clause;

(d) subject to subsection 2, the assessment roll of a municipality to be returned in the year 1977 shall be the assessment of all real property as set forth in the assessment roll returned for the year 1976 for taxation in the year 1977 as amended, added to or otherwise altered up to the third Tuesday following the 1st day of December, 1977,

. . . . .

(c) by striking out “1975 or 1976” in the twenty-eighth line and inserting in lieu thereof “1975, 1976 or 1977”; and

(d) by adding thereto the following subsection:

(2) Where the erection, alteration, enlargement or improvement of any building, structure, machinery, equipment or fixture or any portion thereof increases the value of any real property in a municipality or locality by at least \$2,500, and where such increase in value has not been, or is not liable to be, assessed pursuant to section 43, such increase in value shall be assessed and included in the assessment roll to be returned in the municipality or locality next after

Increases in  
value to be  
added to  
assessment  
roll



such increase comes to the attention of, and the amount thereof has been determined by, the Assessment Commissioner.

s. 95,  
re-enacted

- 2.** Section 95 of the said Act, as re-enacted by the Statutes of Ontario, 1976, chapter 65, section 2, is repealed and the following substituted therefor:

Application

95. Section 90 ceases to be in force on the 19th day of December, 1978, but shall continue in force for the purpose of any pending complaint, appeal, proceeding or action which will affect taxes for the years 1971 to and including 1978.

s. 96,  
re-enacted

- 3.** Section 96 of the said Act, as re-enacted by the Statutes of Ontario, 1974, chapter 41, section 31 and amended by 1976, chapter 65, section 3, is repealed and the following substituted therefor:

Application

96.—(1) Subject to section 97, subsection 6 of section 33 continues to be not in force and remains inoperative until the 1st day of January, 1978.

Idem

(2) Section 71 continues to be not in force and remains inoperative until the 1st day of January, 1979.

s. 97 (1),  
amended

- 4.**—(1) Subsection 1 of section 97 of the said Act, as enacted by the Statutes of Ontario, 1972, chapter 161, section 2, is amended by striking out “93, 94 or” in the seventeenth line.

s. 97 (2),  
amended

- (2) Subsection 2 of the said section 97, as amended by the Statutes of Ontario, 1975 (2nd Session), chapter 2, section 3, is further amended by striking out “1977”, as inserted in the third line by the said amendment, and inserting in lieu thereof “1979”.

s. 97 (5),  
amended

- (3) Subsection 5 of the said section 97, as amended by the Statutes of Ontario, 1973, chapter 148, section 5, is further amended by striking out “section 72” in the first line and in the fifteenth line and inserting in lieu thereof in each instance “section 507 of *The Municipal Act*”.

Commence-  
ment

- 5.**—(1) This Act, except section 3, comes into force on the 1st day of December, 1977.

Idem

- (2) Section 3 shall be deemed to have come into force on the 1st day of January, 1977.

Short title

- 6.** The short title of this Act is *The Assessment Amendment Act, 1977*.







An Act to amend  
The Assessment Act

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*1st Reading*

November 3rd, 1977

*2nd Reading*

November 29th, 1977

*3rd Reading*

November 29th, 1977

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THE HON. MARGARET SCRIVENER  
Minister of Revenue

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**BILL 92**  
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**Private Member's Bill**

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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

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**An Act to amend  
The Highway Traffic Act**

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MR. NIXON

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#### EXPLANATORY NOTE

The purpose of this Bill is to make it a requirement that a motor vehicle registered in Ontario be insured under a motor vehicle liability policy. The Bill requires that every owner provide proof of insurance protection at the time a motor vehicle permit is issued or validated.

In addition, the Registrar of Motor Vehicles must receive notice of every cancellation of a motor vehicle liability policy and may request an owner to provide further proof of insurance protection.



BILL 92

1977

## An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Highway Traffic Act*, being <sup>s. 1 (1), amended</sup> chapter 202 of the Revised Statutes of Ontario, 1970, as amended by the Statutes of Ontario, 1973, chapter 45, section 1, 1973, chapter 167, section 1, 1974, chapter 123, section 1, 1975, chapter 78, section 1, 1976, chapter 37, section 1 and 1977, chapter 19, section 1, is further amended by adding thereto the following paragraph:
 

17a. "motor vehicle liability policy" means a motor vehicle liability policy in accordance with *The* <sup>R.S.O. 1970, c. 224</sup> *Insurance Act*.
2. Subsection 3 of section 6 of the said Act, as re-enacted by <sup>s. 6 (3), re-enacted</sup> the Statutes of Ontario, 1974, chapter 66, section 2, is repealed and the following substituted therefor:
 

(3) Where the owner of a motor vehicle or trailer pays <sup>Permits for vehicles</sup> the fee prescribed by the regulations and provides proof, as prescribed in the regulations, that the motor vehicle is insured under a valid and subsisting motor vehicle liability policy, the Ministry or any person authorized by the Minister shall,

  - (a) issue for the motor vehicle or trailer a numbered permit and a number plate or number plates, in accordance with the regulations, bearing the number of the permit; or
  - (b) validate the permit issued for the motor vehicle or trailer and provide such evidence of the validation for display upon the motor vehicle or trailer as may be prescribed by the regulations.

s. 6a.  
enacted

3. The said Act is amended by adding thereto the following section:

Motor  
vehicle  
insurance  
required

6a.—(1) The owner of a motor vehicle shall not drive the motor vehicle or cause or permit the motor vehicle to be driven on a highway unless a valid and subsisting motor vehicle liability policy exists in respect of the motor vehicle.

Notice of  
cancellation  
to Registrar

(2) An insurer shall notify the Registrar of the cancellation of a motor vehicle liability policy at least fifteen days in advance of the day the policy lapses or is terminated by the insurer, but where the motor vehicle liability policy is terminated by an insured owner, the insurer shall notify the Registrar of the cancellation forthwith.

Where policy  
deemed in  
force

(3) Where an insurer fails to notify the Registrar of the cancellation of a motor vehicle liability policy, the liability of the insurer under the motor vehicle liability policy shall be deemed to continue until the Registrar is notified of the cancellation.

Idem

(4) The Registrar may at any time request a person to provide proof that a motor vehicle liability policy exists in respect of a motor vehicle owned by that person.

Uninsured  
motor vehicle  
fee  
R.S.O. 1970.  
c. 281

(5) A permit held by an owner at the time this Act comes into force, by reason of having paid the uninsured motor vehicle fee under *The Motor Vehicle Accident Claims Act*, shall continue in operation until the period for which the fee was paid expires and thereafter the permit shall not be validated or replaced unless the owner provides to the Minister proof as prescribed in the regulations that there exists a valid and subsisting motor vehicle liability policy in respect of the motor vehicle.

Regulations

(6) The Lieutenant Governor in Council may make regulations prescribing the form of providing proof to the Minister and the Registrar that a valid and subsisting motor vehicle liability policy exists in respect of the motor vehicle.

Commence-  
ment

4. This Act comes into force on the day it receives Royal Assent.

Short title

5. The short title of this Act is *The Highway Traffic Amendment Act, 1977*.







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An Act to amend  
The Highway Traffic Act

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*1st Reading*

November 3rd, 1977

*2nd Reading*

*3rd Reading*

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MR. NIXON

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*(Private Member's Bill)*

172 p.w  
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1ST SESSION, 31ST LEGISLATURE, ONTARIO  
26 ELIZABETH II, 1977

**An Act to amend  
The Employment Standards Act, 1974**

MR. O'NEIL



TORONTO

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#### EXPLANATORY NOTE

The purpose of this Bill is to increase the time for notice to an employee whose employment is to be terminated where the employer plans to terminate the employment of fifty or more employees within a short period of time. The Bill also requires the employer, when requested, to confer with the Minister and any trade union that represents the employees to discuss alternative methods of reducing the number of terminations.

BILL 93

1977

## An Act to amend The Employment Standards Act, 1974

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

- 1.—(1) Subsection 2 of section 40 of *The Employment Standards Act, 1974*, being chapter 112, is repealed and the following substituted therefor: s. 40 (2).  
re-enacted

(2) Notwithstanding subsection 1, the notice required by an employer to terminate the employment of fifty or more employees in any period of twelve weeks or less shall be not less than, Notice of  
lay-off

- (a) sixteen weeks notice if the employment of fifty or more persons and fewer than 200 persons is to be terminated at an establishment;
- (b) twenty-four weeks notice if the employment of 200 or more persons and fewer than 500 persons is to be terminated at an establishment; and
- (c) thirty-two weeks notice if the employment of 500 or more persons is to be terminated at an establishment,

and until the expiry of such notice the termination shall not take effect.

- (2) The said section 40 is amended by adding thereto the following subsection: s. 40.  
amended

(2a) In the event of a termination referred to in subsection 2, an employer shall give notice at the same time that notice is given under subsection 2 to the Minister and any trade union that represents employees whose employment the employer proposes to terminate indicating, Duty to  
confer

(a) the number of employees whose employment will be terminated;

(b) a statement of the reasons for the terminations,

and, where the Minister or a trade union so requests, the employer shall confer with the Minister or trade union or a representative thereof with a view to considering in good faith alternative plans to reduce the number of terminations.

Commence-  
ment

**2.** This Act comes into force on the day it receives Royal Assent.

Short title

**3.** The short title of this Act is *The Employment Standards Amendment Act, 1977*.







An Act to amend  
The Employment Standards Act, 1974

*1st Reading*

November 3rd, 1977

*2nd Reading*

*3rd Reading*

MR. O'NEIL

*(Private Member's Bill)*













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